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THE ROLE OF ELECTRONIC ACCOUNTING
INFORMATION SYSTEMS IN EVALUATING THE
PERFORMANCE OF NON-PROFIT GOVERNMENT
UNITS

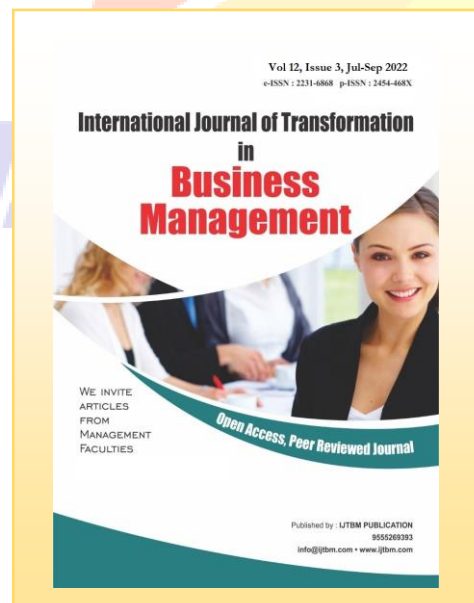
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ABSTRACT

Despite the long history since the emergence of government accounting, it has suffered some neglect by governments and accountants together. For a long time, accountants themselves have been concerned with whether the accounting information systems in government units differ from the accounting information systems in other units, and whether the developed countries have noticed the importance of electronic accounting information systems to address the problem of the stagnation of the government accounting system and have reinforced these systems with advanced types of modern technologies and advanced methods in order to be able to confront the problem and uproot it. Most developing countries turned to legalizing laws to adopt modern financial systems without taking into account the elements and requirements of ensuring the implementation of these legislations in practice. Thus, these legislations were weak and many of their provisions were not implemented in practice or were applied in a distorted way. The aim of the research is to determine the role of electronic accounting information systems in evaluating the performance of non-profit government units. The research concluded that there is a positive and incorporeal influence and correlation between electronic accounting information systems and performance evaluation of non-profit government units.

The Problem of the Research:

The research problem is limited to noting the weak role of the governmental accounting systems as information systems for their inability to provide information that helps in controlling and evaluating the performance of government units and measuring the cost of their services.

The Objective of the Research:

The aims of the research are to clarify how to determine the effectiveness of electronic accounting information systems for government units through the design of accounting information systems that can contribute to providing information that helps control and evaluate their performance

and measure the cost of their services by adapting modern trends in government accounting, which application has seen success in many developed countries.

The Significance of the Research:

This research highlights the role that an effective electronic accounting information system can play in controlling and evaluating the performance of government units and measuring the cost of their services, in the absence of the profit factor as one of the important indicators for evaluating the performance of government units.

SECTION ONE

The Nature of the Electronic Accounting Information System in Government Units

The concept of accounting systems has evolved to meet the administration's needs of accounting data and information with the aim of evaluating the administration, on the one hand, and assisting it in making rational decisions, on the other hand. Accordingly, the government accounting system converges with other accounting systems in that it aims to achieve major goals (Al-Mobaideen, 1999, p. 31), including:

- 1- Evaluating performance periodically and providing reports related to measuring results.
- 2- Rationalizing planning decisions by providing accounting data.
- 3- Tightening control over the uses of funds from the limited public resources of society as it is a part. The concept of the system can be stated as a set of parts, elements or ingredients that work with each other in a coordinated and interconnected way to achieve a specific goal or set of goals. Through this concept, the conditions of the system can be defined as follows (Al-Shammari, 2003, p. 11):

- A group of parts, elements, or ingredients that can be physical, human, or both, depending on the nature of the system.
- Consistency and interdependence between these parts, elements or components mutually so that they serve each other in a way according to a logical relationship.
- Seeking to achieve a specific and known goal or set of goals, where this system represents the pillar basis on which the parts are identified and their relationships with each other. According to Hijazi (1995), the accounting system is can be defined as:

A set of appropriate accounting methods, procedures, and instructions, using a set of accounting documents and records in order to protect government assets, and to provide accurate financial data within reports and financial statements that reflect the results of the activity, in which the internal environment of the system is material resources: Machines, equipment, offices, furniture, computers, and various departments. As for human resources, it includes accountants, employees, workers, managers, and the interaction between these physical and human elements is to achieve the goals of the system. As for the

external environment of the system, it is: Legislation, laws, regulations, competitors, suppliers, government and regulatory agencies. (p. 197)

Characteristics of Accounting Information Systems

Accounting information systems are characterized by a set of characteristics, which are:

- 1- Giving attention to achieving a very high speed and accuracy during processing the financial data.
- 2- Providing management with necessary information in time to make decisions about choosing between a range of available alternatives.
- 3- Providing appropriate information to management to carry out monitoring and evaluation of all economic activities of the facility.
- 4- Providing assistance to the management during the implementation of the function of planning the future business of the facility, whether it is long, medium or short term.
- 5- Having continuous movement in order to accomplish tasks and achieve goals.
- 6- Providing a sufficient degree of flexibility in these systems; which

contributes to its development and modification to keep pace with successive needs and changes.

- 7- The design of these systems depends on providing services for various administrative needs and tasks, and the importance of this issue appears in administrative functions, such as: Decision-making, control, planning, and coordination between organizational departments in order to reach the maximum amount of benefit.

Objectives of Accounting Information Systems

The objectives of the accounting information system in government units can be clarified as follows:

- 1- Providing the necessary information for accountability: Accountability is intended to provide explanations about the work of the governmental unit to the legislative authorities or any party that has the right to request that. The objectives of accountability can be limited to the following (Ahmeru, 2003, p. 37):

- A. Financial accountability: By indicating the extent of compliance with legislation and financial controls, regularity of records, integrity and honesty of financial

reports in expressing the performance of the administrative government unit.

B. Accountability: By showing that the resources allocated to the unit have been used efficiently and without extravagance, and that the government unit takes into account the economy in its work.

C. Accountability of performance: By indicating the efficiency and effectiveness of programs and activities of private government units.

2. Providing information to evaluate the results of the activity of the governmental unit during the year through:

A. Comparing the actual and planned results in the legislatively approved budget.

B. Stating financial performance and results of operations.

3. Providing the necessary information for decision-making and drawing up public policies, through (Ahmeru 2003, p. 38):

A. Providing information to compare the results of the activity of the current year with previous years.

B. Stating the relationship between the inputs and outputs in the operations and activities carried out by the governmental unit.

C. Showing any legal or contractual restrictions on the resources of the governmental economic unit and any other risks.

4. Providing useful information to current and potential resource providers or any other user interested in evaluating the services provided by the government unit and determining the extent to which these services can provide these services and their ability in the future (Alsabbari, 2000).

5. Providing information that is useful in evaluating the performance of the governmental unit by showing the cost of the services provided and comparing them with the prices provided, as well as by showing the ability of the governmental unit to reduce costs and optimize the use of the materials allocated to it.

6. Providing information on the social contributions made by the government unit within the laws and regulations in force.

Elements of Electronic Accounting Information Systems

Elements of the electronic accounting system and it consists of (Al-Sadiq, Abu Musa, 2012, p. 77):

1. **People:** They are all those who work and interact with the system, such as

accountants, software specialists, data collectors, and those responsible for devices and equipment.

2. **Hardware:** They are the digital readers such as barcodes, printers, and network equipment components.
3. **Instructions and Manuals:** These are the rules for conducting accounting operations, such as the classification of expenses and revenues, policies for depreciation of fixed assets, and rules for making provisions, etc.
4. **Data:** That is included within any system and it is collected such as documents of financial transactions with the facility.
5. **Software:** They are used in operating the computer to convert data into information.
6. **Setting control and Control Procedures**

The Components and Characteristics of Electronic Accounting Information Systems in Government Units

Any accounting system that uses a computer depends on basic components that must be available to let this system achieves its objectives (Qaoud, 2007, p. 61):

1. **Electronic systems devices:** These devices consist of a group of

interconnected devices to carry out accounting and logical operations.

2. **Political programs and instructions:** Programs represent a series of instructions that a computer can interpret and implement and guide it to operate the data. They represent commands written in a specific language, directed to the central operating unit to carry out a particular operation, and these commands are included in the evaluation of references
3. **Regulations and Documents:** Any computer-based operating system must have a full set of documents and regulations that are one of the components of control over the system, in addition to being one of the most important means of communication within this system.
4. **Personnel and Computer Management:** The Computer Department is the administrative unit responsible for operating the data and extracting the required results, within the general mandate given to it. The importance of this administration requires the need to organize it appropriately, in which it clarifies the centers of power and responsibility and the methods of approving their approval, and through which it clearly adopts the limits of the

powers granted, and the responsibility entrusted to each of the departments and individual.

5. **Controls:** It means all the control procedures followed to ensure the safety of the electronic operation of the data, and it includes both control procedures over programs and files, in addition to the control procedures on the device itself.

The Relationship Between Electronic Accounting Information Systems and the Efficiency of Administrative Decisions

The ultimate goal of any computerized information system is to provide the appropriate information in order to make decisions at the right time, in the right form and content, at the right cost, and to provide this information to the right person to take the appropriate decision. Since the accounting information is one of the cornerstones of the decision-making process in any organization, as one of the most important reasons for the existence of the science of accounting and its continuous development is that it provides information that is considered the cornerstone of the decision-making process, where the accountant provides this information to meet the needs of management at its three levels to lead the decision-making process. The role of electronic accounting information systems is highlighted in several aspects, the most

important of which is supporting and leading the administrative decisions, as it affected the reliability of measurement and appropriateness in the delivery of information to enhance the efficiency of the administrative decisions.

There are Three Types of Information (Al-Dahrawi, 2002)

1. **Strategic information:** It is the information needed by the senior management in government units through which strategic decisions are taken to determine the goals and objectives of the unit and the sources and policies necessary to achieve the unit's goals. This information is characterized by inaccuracy and covers the entire unit for long-term financial periods. It also covers all the economic, political and social information for the environment in which non-profit government units operate.

2. **Tactical information:** It is the information needed by the middle management in the governmental unit, through which it takes tactical decisions, and transforms strategies and objectives, which the senior management sets into performable actions. The senior management sets the broad objectives of the unit, after which the middle management

translates these objectives into executable procedures and means. The most important characteristic of tactical information is that it covers shorter periods of time than strategic information, and tactical information is more accurate than strategic information.

- 3. Operational information:** It is the information needed by the minor management in the unit through which operational decisions are taken, for operational purposes and which help in reaching the plans and programs that have been developed by the middle management in the facility. The most important characteristic of operational information is that it is more accurate and specific than strategic and tactical information. It also covers a short period of time and is mainly related to the internal operational processes of the unit.

Basic Considerations for Designing an Accounting Information System in Government Units

The accounting information system is one of the sub-systems in the economic unit. It consists of several sub-systems that work together in a coherent, coordinated, and mutual manner, aiming to providing historical, current and future information,

financial and non-financial, to all parties concerned with the issue of the economic unit and in a manner that serves the achievement of its objectives 83 (Al-Saqq and Al-Hubaiti, 2003, p. 83). The accounting information system is not one of the goals. In order to the accounting information system achieves its desired goals in government units, there are a set of considerations that must be taken into account when designing it. The considerations to be taken into account in this concern, can be identified as follows:

- 1. Financial Reporting Limits and Information Users' Need**

The term 'financial reporting' refers to the delivery of financial information by the economic unit to the other concerned parties and includes all reports and statements that contain financial information based on data operated by the accounting information system subsystems, information presented in budgets and performance reports, and featuring programs and also activities (IFACPSC Study, 1990, 1, p. 2). If the objective of the accounting information system is to provide it in the required form and time without the decision-makers using this information, we would simply have failed in achieving goal (Abed Al-Rahim, 1988, p. 56). In addition to providing it, the accounting information needs to be more purposeful to enhance usefulness. This need is defined differently between the providers

of information, on the one hand, and the users of the information, on the other.

However, the reports remain mostly illegible, and Lake Yerman says that the minimum response and the low demand for financial reports. This view is justified by the fact that users feel information needed in a clear acknowledgment of their need (Premchand, 1999, p. 2).

2. **Considering the fund as the unit of account**

Defining the concept of the 'accounting unit' is one of the considerations to be taken when the task of designing an accounting information system. If accounting is an information system, the concept of accounting units defines the scope of this system and identifies the areas and activities for which accounting data are collected and financial reports are prepared. According to the GASB (1987), "governmental accounting systems should be organized and operated on a fund basis" wherein the 'fund' is defined as;

a fiscal and accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or

attaining certain objectives in accordance with special regulations, restrictions or limitations. (p.45)

This concept provides a control advantage by laying the foundations for measuring the financial responsibility of the various activities that take place within the governmental unit. By standardizing budget accounts in formal accounting systems, an automatic comparison between actual results and the budget is provided. Although this automatic comparison does not guarantee whether resources have been used efficiently, it does indicate whether the budget application process is appropriately authorized and that resources have been used for her purposes.

The basic requirements for determining the effectiveness of the accounting information system in government units

There is no doubt that the progress of accounting in any country depends on the development of the existing accounting systems and their reinforcement with other systems that are not available in them, and despite the fact that the government accounting system was the first accounting systems to emerge and develop, and despite the emergence of modern trends in accounting in government units that contribute to increasing the effectiveness of

the government accounting system. As an information system, however, the adoption of these trends and the issuance of legislation for their adoption differ from one country.

1. Evaluating the role of recent trends of accounting in government units

The developed countries have awakened to the importance of accounting information systems to address the problem of the stagnation of the government accounting system and have devised many appropriate systems to accommodate the information received and uproot it. But the case is different in developing countries where most of these countries tended to legislate laws to adopt modern financial systems without taking into account the elements and requirements of securing the application of these legislations in practice. Therefore, these legislations were weak and many of their provisions were not applied in practice distorted. In Iraq, recommendations for approved financial laws started in 1975/ Feb./ 2 of the second preliminary remarks, proceeding with the adoption and in the first paragraph of the fundamentals, a new law to prepare the necessary procedures for public accounting, replacing 38 in 1940. It takes into account the latest scientific ideas and modern trends in government accounting, including the adoption of the accrual basis and the obligation basis in addition to the cash basis (Abd al-Rahim, 1988, p. 68).

1- Requirements for developing the efficiency of the government accounting system

The efficiency of the accounting system depends on the accounting methods and methods that it adopts in processing data related to financial operations, which represent the basic inputs to the accounting information system. The government accounting system can be developed at the level of the government unit.

2- Requirements for developing the effectiveness of the government accounting system

The effectiveness of the accounting system depends on the information it provides and the extent to which it meets the needs of its users, and this depends on the ability of the accounting system to display and communicate information through the reports it issues. In order for the Iraqi government accounting system to be able to issue financial reports in the required form, and thus display and communicate information to achieve the objectives of the accounting information system at the level of the government unit, its effectiveness should be developed at the level of the government unit.

3- Elements of the accounting independence of government units

The accounting independence of government units is based on a number of pillars, the most important of which are:

1. Completion of the accounting cycle in the government unit, which is achieved through (Al-Sayegh, 1981, 36-37).
 - a) Each government unit have a complete book group within the framework of the requirements of the total accounts at the state level with other additional or subsidiary records so that the accounting system is able to process data within the framework of analytical accounting, taking into account the principle of cost: benefit
 - b) Using cumulative balances in accounting for fixed assets in order to achieve accounting control over the assets.
 - c) Confirming the opening entry that reflects the financial position of the government unit for the previous year and the revolving of it for the final accounts.
2. Providing cash liquidity to the government unit by adopting the decentralized exchange system (Al-Sayegh 1989, p. 126).
3. The government unit prepares a set of financial reports that reflect the financial performance and financial position of the government unit during the financial period.

SECTION TWO

Theoretical Foundations of Non-Profit Units

Introduction

Accounting has usually been described as the business language because it is one of the means of communication in organizations that aim to achieve profits, such as industrial and commercial establishments and companies. But this description is not limited to the business sector, yet it also applies to the same degree to organizations that do not belong to the non-business sector, which are those that do not seek to achieve profits, such as government units and other social organizations that provide services to members of society. Regardless of the type of organizations or the nature of their activities, or their subordination or non-affiliation to the business sector, they all deal with economic resources that allocate the achievement of a specific purpose. It is known that the issuance of the decision to allocate economic resources is the starting point for the work of any accounting system, and it follows from the issuance of such a measurable and accounting communication. This concept of the decision applies to the emergence of an accounting unit whose resources are placed on any economic resources that are allocated, whether they are

within the scope of an existing organization or in the scope of a commercial operation, and whether the allocation is made by individuals for the purpose of investment to obtain a financial return or with the knowledge of governments to satisfy public needs (Al-Mahaini et. al, 2011, p. 20.)

First - The concept of 'non-profit units'

Non-profit units, as Shehata defines it, are legal entities that carry out a range of different activities of a charitable, social, cultural and similar nature, with the aim of providing a group of goods, services and benefits to people and society, without the primary goal being to make a profit, to achieve a return. In some of its activities, it is directed to the development of its charitable and social activities (Shehata, 2001, p. 6.)

Badawi and Nasr (2008, p. 11) define it as the organizational unit that provides basic or additional public services that are socially desirable without making a profit. And it is financed by resources from sources that are not negotiable or dealt with by people, and the unit may plan to achieve an increase in its revenues exceed its expenses, that this increase is used for the services it provides.

FASB defined them, in Standard (116) "Accounting for Donations and Contributions Made in Appendix", that they are entities that receive resources for

donations of large sums of fund from providers of these resources and who do not expect financial returns commensurate and commensurate with their donations. They work to provide goods and services for the purposes of that go beyond making a profit, besides not having the same interests and ownership interests as those found in business ventures (Pina & Torres, 2003).

From the above definitions, we note that the definition of Shehata, Badawi and Nasr was limited to the type of activity that they practice and the purpose of the activity. As for the definition of (FASB), it was more comprehensive than the rest of the definitions and included the return of property rights, but it did not mention the accounting standards adopted in it and the performance evaluation measure.

Depending on the previous concepts, the concept of 'non-profit' units can be reached as: Legal units that provide a set of different activities of a social, cultural and charitable nature through presenting. An increase in its revenues that is used to improve the service or expand the scope of its performance, and it is owned by the state and society, and its performance is evaluated according to the amount of fund it obtained and spent for the purpose declared by the government unit and the satisfaction of the recipient of the service.

Characteristics of Non-Profit Units

Non-profit units have a set of general characteristics that distinguish them from The profit-oriented economy units (Shehata, 2001, p. 7), as follows:

1. It aims to benefit a large number of citizens, and provides its services to the whole community without exception or discrimination. The members of the community who are covered by the service provided by these units may range from a limited number of a specific area, or most of the population of the city, governorate or country.
2. The providers of cash resources do not expect to recover them or obtain economic benefits commensurate in value with the resources provided.
3. The core of the operational objectives revolves around the provision of goods or services without focusing on the goal of making a profit.
4. Its ownership rights belong to a social or governmental entity, and the transfer of this property by circulation between individuals as it is in the units aiming for profit. It has an official form that has a permanent character that represents its legal personality.
5. The most important sources of funding are donations, fees, subsidies

and gifts from the government, individuals, and organizations.

6. Its administration tries to achieve a balance between revenues and expenses of performing activities. The deficit is covered by subsidies and donations. The surplus is directed to the development of activities and their development again (Badawi and Nasr, 2008, p. 11).
7. It is exempt from taxes on capital or income because it contributes to social development and charitable works, which are among the most important responsibilities of the state (Lapsley & Caperchione, 2011).

Basic differences between profit units and non-profit units

The purposes, activities, nature of ownership, profitability, social and environmental responsibility affect the purposeful and non-profitable units. Many differences appear between them (see Table 1.):

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Feature	Non-Profit Units	Profit Units
Purpose	Maximizing profitability and maximizing wealth for property rights	Providing social benefits of a social nature
Ownership	The capital is represented in the form of shares or shares provided by the partners - shareholders	The state or society whose members provide benefits and services to society
Success Scale	Amount of profit - return on investment	The amount of fund and revenue obtained and spent in order to serve the community
Criterion Used	Financial Accounting Standards Board (FASB)	Governmental Accounting Standards Board (GASB)

(WWW. Accounting.ucdavis.edu, "Introduction to university Accounting", 2009)

Similarities between profit units and non-profit units

1. Both produce goods and services using the resources available for this purpose, and sometimes the same goods and services.
2. Both obtain resources from external sources, and are accountable to the resource providers or their representatives.
3. Both are part and integral to the national economy and are linked in one way or another to the public sector.
4. Both of them own a supply of resources, some of which are used and the rest are reserved for use in other periods.
5. Both are subject to governmental legislation and laws.
6. Both obtain resources through exchange or transfer transactions between the unit and its parties outside (Freeman & Shouldars, 2003, p. 3).

Classification of Non-Profit Units

The Financial Accounting Standards Board (FASB) has used the term 'Non-business Organizations' to mean government units and other social organizations that are non-profit-seeking. Given the wide disparity and overlap between non-business organizations, it may be difficult to classify them into specific types that can be classified in several ways, according to their nature and types of services.

Classification according to the nature of the units

Organizations may be classified according to their nature into two groups:

The first group: governmental public organizations (consisting of ministries and government departments, whether central or central), in addition to hospitals, universities and public schools. These organizations are established by law in accordance with the will of the legislative authority.

The second group: Private social organizations (consisting of charities and professional associations and clubs, in

addition to hospitals, universities, private schools and any other social organizations targeting profit). These organizations are established according to the desire of a group of individuals motivated by their patriotic feelings to provide grants and donations for social purposes.

Classification according to the type of service

It is divided according to the following (sovereign services, social services, infrastructure services, economic services)

1. Classification according to the medical funds

This basis focuses on the medical funds, regardless of the medical unit or the type of service it provides. Funds are classified into spendable and non-spendable funds determined by the nature of the appropriate accounting system associated with government units.

Second: Sources of funding for non-profit government units

In order for the non-profit governmental unit to be able to carry out activities leading to the achievement of the goals for which it was established, it is necessary to provide the necessary funds for this from the sources of funding for the crisis to create the required funds. And they can be

summarized as follows (The Arab Society of Certified Accountants, 2001, p. 186):

1. External funding sources.
2. Internal funding sources.

External sources of funding: It is represented by the fund that is provided from outside the unit (Hassan et al. 2004, p. 5) other than the daily revenues generated by the unit. Within the framework of non-profit government units, the external sources of funding are limited to central funding; that is, the fund that these units obtain from the state's public treasury to pay their expenses, provided that these expenditures are within the limits of the approved allocations contained in the general budget specified for each unit and within the limits of the financial powers granted to the governmental unit by law (Al-Sabiri, 1998, p. 44).

Internal sources of financing: It is called self-financing, which represents ability of the unit to finance itself through its revenues (Tawfiq, 1990, p. 139). This means that the non-profit government unit derives its spending ability from the revenues that it collects through the practice of limited activities, their types, face of difference and spending according to the legal rules. Among those funds included in this type of funding sources are the revenues generated by the unit such as wages, fees, and subscriptions that the unit collects through the services it

provides and on this basis it is called “non-profit service units” which are subject to laws and instructions own and the law determines its own spending (Freeman & shouldars, 2003, p. 37)

Categories of accounting information users and their needs in non-profit units

It is customary in business sector organizations to divide the users of accounting information, as (Kieso) sees that the needs of accounting information depend on the type of decisions that users take. The difference between the users themselves can be divided into two groups:

- Internal users (they are represented in the organization's management men at their different levels)
- External users (they are lenders, creditors, merchants, and others)

When investigating such division in non-profit units, it will be found that it takes a more extensive form as here are many categories of users who are interested in the outputs of the accounting system for these units and seek to benefit from them in their performance and their work, whether in the field of control, implementation, planning or performance adequacy that as Jeter Chaney states that potential users of financial reports in non-profitable units, including government units that provide services to society, whether governmental, trade unions, union or

charities. The study was conducted for the benefit of FASB, five groups of the main users of financial reports are Government and Citizen Legislative Regulatory Bodies and Investors.

Institutions Performance evaluation in non-profit government units

There is a growing tendency to consider measuring the performance of institutions as a very important matter among the directors of non-profit organizations, and by the early 1990s, non-profit health and human service institutions started adopting measurements of financial responsibility, program outputs, quality standards in service delivery, adequacy, customer satisfaction. The non-profit organizations participate in providing services to clients and the public more broadly in pursuing social interest goals, as is the case in many organizations with the same types of performance standards (Al-Najjar 2011).

1- Effectiveness of the programs: It means the extent to which these programs are able to bridge the gap between the current reality of the parties to the training process (employees, the job, and the organization) and their future aspirations or challenges. Thus, the degree of effectiveness is measured by the extent of the program’s ability to

create congruence between the present and the needed future, within a certain period of time and within the limits of a specified possibility (Al-Najjar, 2011).

2- Analysing the institutional

organization: Through organizational analysis, the objectives of the organization, its organizational structure, its policies and regulations, its functional structure, the characteristics of its workforce, and the degrees of efficiency and effectiveness, the most important training needs for the organization and for each department separately, can be identified (Al-Skarna, 2011).

3- Analysing the individual: By studying the functional specifications of the individual, his qualifications, experience, skills, personal characteristics, and the behavioral aspect of the individual, in order to determine who needs training and what skills, knowledge, and attitudes the individual needs or needs to improve.

4- Effectiveness of software design: The stage of designing training programs is one of the important stages in the course of those training programs, and the stage of identifying training needs is the basis on which to design them. The design of training programs is defined as the “planned effort aimed at transforming training needs into activities, events,

content and content that are intended to improve the performance of information delivery and rationalize tendencies and trends for goals, capacity development, and development of specific individual, collective and organizational skills.” (Al Kubaisi, 2010).

• **Interest in institutional evaluation in the field of financial management**

Methodologies of confidence by measurement are needed. The interest is due to several reasons:

1- The increasing difficulties facing public organizations financing which forces the official to answer several questions related to spending and output, whether there are alternatives to spending, and how to improve the performance of institutions by increasing spending.

2- Increasing awareness among citizens and increasing levels of knowledge and skills among the regulatory bodies.

3- The increased transparency and improvement with internal control or through the press or experienced individuals, which imposed the need to adhere to the spending process and rationalize financial decisions upon officials

4- Many unclear general goals in non-profit organizations and government

units in defining their concept by different individuals according to their points of view. Rechecking this problem gives us the concepts of institutional performance and acceptable means of solving these problems.

- 5- There are difficulties surrounding the process of separating the achievements of many services provided by non-profit government units because they are intertwined in a way that facilitates their subjecting to qualitative measurement (Tishreen University Journal of Scientific Studies and Research, 2007).

Problems and difficulties of measuring performance for non-profit government units:

The difficulty of measuring the performance of any governmental organization is due to the difficulties that are related to the nature of work in such governmental organizations. The most important of those problems and difficulties include:

- 1- **The nature of government services:** It is known that the concept of 'service quality' in the field of services provided by government agencies is an abstract concept which is difficult to define or to be subjected to measurement. That is based on the inaccuracy of evaluation

and measurement results that depend on non-quantitative criteria. Given that the product provided by government units is an intangible product and the difficulty in measuring the returns of these programs in the form of final products, therefore, it is difficult to determine the degree of relationship between the costs of these programs and the resulting returns. However, it is necessary to carry out such a measurement, because it is one of the basic requirements for measuring the effectiveness of government programs. This makes it easier for the government to evaluate the proposed alternative programs to choose the program that brings benefits more than others.

- 2- **Multiple and conflicting goals and priorities:** government organizations usually have multiple goals at the time when there is a specific goal for each private enterprise. Thus, the multiplicity of goals in the governmental unit adds to the difficulty of measuring performance, because it is not possible to determine the weight that is given to each of the multiple goals.

- 3- **Absence of a precise definition of the tasks of government agencies:** The lack of clarity in the tasks of each unit leads to the creation of many difficulties that lead to the recklessness of responsibility and the absence of accountability, among which we mention the following:

- a) Overlap in the competencies of government agencies.
- b) Duplication and conflict of competences in the systems.
- c) Absence of proper organization of the systems, and lack of accurate description of their duties.

4- **Routine in government agencies:**

As a natural result of the absence of quantitative standards that can be relied upon in measuring performance in the absence of quantifiable goals, we find that the administration is concerned with implementing procedures, while accountability agencies focus in accounting on the commitment to follow up on the progress of those procedures.

Overlap in providing the same service between the public and private sectors

The overlap in providing the same service between the private and government sectors, especially when the private sector is involved in performing part of the service for the citizen, has made it difficult to measure the institutional performance of government agencies.

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• **Absence of a quantitative criterion for outputs**

The difficulties in measuring performance can be overcome by adopting the following suggestions:

- a) Seeking to formulate the objectives of government agencies in the form of specific, quantifiable results.
- b) The state's necessity for adopting a policy of dividing any service provided to the public into two types; either a free service in which the measure of performance is a social standard or an economic service in which the measure of performance is an economic measure.
- c) Eliminating the overlap and duplication in exercising the functions and competencies of government agencies to determine responsibility for errors and abuses to support the role of the accountability body in monitoring performance.
- d) Simplifying the procedures for the services provided by government agencies to the public in a way that enables setting a time standard for each of them, which contributes to measuring institutional performance.
- e) Developing the functional apparatus in government agencies in a way that helps in redistributing labor while relying on transformational training

to fill the deficit in those that have a shortage and pay surplus labor in other agencies to leave work.

- f) Directing the supervisory bodies to work with control by objectives rather than by control by procedures.
- g) Adopting a policy of government agencies providing an integrated service without the participation of government or private units, so that measuring the level of service performance becomes an expression of the role played by the unit.
- h) Adopting transparency regulations and obligating government agencies to implement them to avoid duplication of performance.

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Activating the control systems, both in accounting and administration

In this concern, the objectives of accounting information systems in government units can be defined as follows:

1. **Providing the necessary information for accountability:** By presenting the government unit's explanations to the various relevant authorities, including the legislative authorities or any others party which has the right to request such information. The objectives of the

accountability can be limited to the following:

- **Financial accountability:** It is a statement of the extent of compliance with the stipulated legislation, financial controls, organization of records and the integrity of financial reports, as well as their honesty in expressing the performance of units.
- **Administrative accountability:** It is a statement of how the resources allocated to the unit are used efficiently and without extravagance that the government unit takes into account the economy in its work.
- **Accountability for performance:** a statement of the effectiveness of the implementation of the programs and activities of the governmental unit.

2. Providing information for evaluating the results of the activity of the governmental unit during the time period by comparing the actual achieved results and the legislatively approved programs as well as the planned budget with the statement of financial performance and the results of the achieved operations.

SECTION THREE

Conclusions

1. The procedures of developing and maintaining electronic accounting

information systems in a licensed and efficient way are insufficient for government units that use the electronic system, which exposes them to risks.

2. The occurrence of the risks of electronic accounting information systems due to reasons related to the employees of the governmental unit as a result of lack of experience, awareness and training, in addition to reasons related to the management of the unit due to the absence of clear written policies and the weakness of the procedures and control tools applied to non-profit government units.
3. The efficiency of electronic accounting information systems has an impact on improving the evaluation of performance in non-profit government units.
4. There is an impact of electronic accounting information systems on improving financial performance in non-profit organizations and government units through the control of accounting records and books.
5. The electronic accounting information systems are characterized by speed and accuracy in preparing financial reports.

Recommendations

- 1- Providing information to the necessary extent that leads to taking decisions in the required way.
- 2- Paying attention to training and qualifying the staff on the Internet and the computer.
- 3- Develop an organized studied plan to prepare training programs to develop the employees, which leads to raising the level of their performance in accounting, auditing, and technological work in order to keep pace with the development taking place in these areas and thus the development in information systems.
- 4- The concept of the integrated system enhances the integrated control process between the sub-systems so that decisions are made when they accomplish the functions of planning, organizing, directing and controlling in time, reliability, cost, quantity and the appropriate type, given that this information reflects the events of the past, the image of the present and forecasting the future of the government unit's activities.
- 5- Determining the limits of financial reporting and identifying the needs of users of accounting information are important issues when designing and determining the scope of the

information accounting systems that contains a set of books and records depending on which, the financial reports are to be done.

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