

Hraeja, R. A. (2021). Evaluating The Financial Performance Of Public Sector Units Using The Traditional Budgeting Perspective. *Akkad Journal of Contemporary Accounting Studies*, 1(3), 199-222.

## **EVALUATING THE FINANCIAL PERFORMANCE OF PUBLIC SECTOR UNITS USING THE TRADITIONAL BUDGETING PERSPECTIVE**

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*Received: March 2021*

*1st Revision: June 2021*

*Accepted: September 2021*

**ABSTRACT.** The purpose of this research is to show the applicability of financial performance metrics under the traditional budget (items budget) for assessing the General Directorate of Education in the Najaf Governorate. The process of planning, organizing, directing, and controlling is contingent upon balancing the items approved by the Iraqi government and determining whether financial indicators achieve the desired results from the performance evaluation process and contribute to establishing the correct foundations for future decision-making. Consequently, it has a favorable effect on profitability and liquidity, increasing the Directorate's economic and social worth. The financial statements of the General Directorate of Education in Najaf Governorate for the fiscal year 2017 were examined To accomplish the study's goals. In addition, the economic indicators used to evaluate performance levels were retrieved. The findings indicate that it is impossible to evaluate the financial performance of the General Directorate of Education in Najaf Governorate using current economic indicators in light of the outputs required by the government accounting system and the details contained in the budget for the items used. This research suggests many changes to Iraq's budget system that will assist strengthen the role of financial indicators in making several critical choices that will aid in the growth of the Directorate's operations.

**JEL Classification:** example  
D02, O17, P31

**Keywords:** traditional budgeting, budgeting, financial performance, public sector units, education institutions