
Naser Bigdeli1*, Golamreza Memarzadeh1, Ali Mohammadi2
1Department of Public Administration, Qazvin Branch, Islamic Azad University, Qazvin, Iran
2Department of Accounting, Zanjan Branch, Islamic Azad University, Zanjan, Iran
*Email: bigdelinaser@gmail.com

Abstract

Financial reports are considered as a key tool to provide accountability and macroeconomic data in the organizations. Also, the governments perform accountability through regulation and financial reports for the citizens’ and their legal representatives, and these reports are based the governmental accounting system. For this purpose, the governmental financial statistics system (GFS) that is an internationally coordinated system for reporting financial and budgetary activities of governments has been recommended by the IMF to member countries including Iran, and it has been performed in Iran since 2002. The aim of this study is identifying the obstacles and problems of governmental financial system in the acquisition of capital assets of the executives and then providing the suggestions for addressing these obstacles. The result of this research can be applied for improving accountability and transparency of the governmental financial system. Therefore, to answer the questions, after studying the literature of the research, some hypotheses were developed. In this study, a questionnaire was used to collect data and to assess the reliability, Cronbach's alpha was used and then some data were collected from a sample of 118 executive managers and financial experts of Zanjan province. With regard to the descriptive purpose of the research, bivariate correlation and regression tests were performed and the collected data were analyzed by using SPSS software and all six hypotheses were confirmed in 95% confidence level.

Keywords: governmental accounting GFS system, acquisition of capital assets plans, education, accountability

Statement of problem

Financial reporting is considered as one of the key tools of accountability in the organizations. The governments provide their accountability through regulation and financial reports, and the citizens and their legal representatives judge the government's accountability through these reports. These financial reports are based on the governmental accounting system and the practical governmental accounting was related to 1960 and had not changed till 2002 (Amir Aslani, 2007). The governmental accounting system of Iran as the government's Financial Statistics system was implemented by the government in 2002, which was suggested by International Monetary Fund to member countries including the Islamic Republic of Iran (Panahi and Jalali Mousavi, 2009). The government wanted to change the governmental accounting system so that the accounting information has greater reliability in national level and international level. These changes were a beginning to change the accounting basis used by our executive from adjusted cash to modified commitments. The system of government's financial statistics (GFS) is called an internationally-coordinated system for reporting financial and funding activities of governments fiscal transparency, better accountability and improving the function of managers (Mohammad-Zadeh et al, 2008). The government does all activities and financial planning including income and paying its expenses within the budget regulation during a financial year. The management of
government's financial executive that can be called the heart of the organization has an important role in developing economical system or managing the public sector (Fathallah Pour Kami, 2009). Sending Financial Reports from financial executives, which is convenient and efficient for the planners of governmental accounting system, can provide accurate, reliable and transparent information to the logical decisions for further planning, and can assist the management of the governmental organizations in order to enhance the performance of accountability (Office of the Presidential Technology Cooperation, 2008). Given the above, collecting real and reliable statistical reports is necessary for the government to appropriate budget and this is important on account of acquisition of capital assets that every year allocates large part of Iran's total budget to itself (Habibi, 2004).

Because the plans of acquisition of capital assets (projects) and how to perform them, in addition to being a symbol of Iran’s technical and administrative system, is yet the principal means for injecting the budgetary resources in Iran to expand the infrastructure and the productive capacities (Malik Mohamadi and Tehran, the 2012). Preparing the reports of cost credits and acquisition of capital assets and sending it to the computing Court is regarded as the tasks of financial executive. Each year during the review of the budget, bill from the government and also reviewing report of the budget entertainment are published from various centers including Majlis Research Center, and the Supreme Audit Court. Reviewing these reports, it can be concluded that there is a consensus in the difficulty of the acquisition of capital assets plans (projects) and the relevant reports in Iran. Therefore, doing some studies to identify and overcome these obstacles and difficulties is necessary (Babajani, 2006). Reviewing the obstacles and difficulties in this way and knowing it would be an important step in providing these reports better. Naturally, the weakness of the governmental accounting system and its poor performance could weaken the government and executive agencies in implementing the goals and supposedly the government and policy makers should be aware of the problems and barriers of the governmental accounting system and its negative impacts in society (Qolipur, 2006).

This study has been designed with the aim of identifying the barriers and introducing it to government and the society to fix them, and finally to achieve suitable solutions to meet them. For the purpose of the study, evaluating some hypotheses was presented and the opinions of people who have faced difficulties in terms of theory and practice were used.

**Literature review**

Dastgir and Sabori (2005) in a study examined the barriers of establishing the government's financial statistics system (GFS). Data collection was done by sending questionnaire to financial society of the research, including auditors and accountants of Economic affairs and financial organization, governmental accountants, accountants of Office auditors and financial deputy of governmental agencies that perform in the province of Esfahan. Statistical analyzes were completed on 80 questionnaires and were performed using SPSS software. To answer the research and to achieve the purpose, the following hypotheses were studied: (1) Shortage of skilled and experienced workforce in the field of governmental accounting is a major obstacle in the implementation of the GFS system, (2) limited use of governmental financial reports in managers and other macroeconomic decisions decreases general motivation for the establishment of new systems such as GFS. (3) GFS system requires modification and matching because of non-compatibility with governmental statistical laws in some cases. After data analysis, all three hypotheses were accepted at a confidence level of 95%.

Danesh Fard (2013) in another studied the barriers of the implementing the government’s financial system (GFS) and has examined the barriers of implementing the government's financial
system. In this analysis, the Pearson correlation method was used. The results of this research showed that there is a significant relationship between structural, implementational and managemental barriers, with the dependent variable of the GFS in Iran.

Harun (2007) in another study as the barriers of reforming accounting of governmental sectors has described that, in Indonesia and among the selected officials in governmental posts, any suitable understanding of the need to reform the governmental accounting is needed. The results indicated that improving and reforming the governmental accounting is as a threat by the authorities. Also, the governmental management methods in human resources sector has resulted a loss in accounting skills among employees.

International Monetary Organization (2004) in another article as recent improvements in the government's statistics system to analyze the needs of the system has described that the executive directors and employees have been introduced from the important aspects of the design of governmental statistic system. and for the implementation of this system in the organizations, it is necessary to consider these two organizational important elements.

**Research Hypotheses**

H1- The obstacles and difficulties of the government's new financial system in the acquisition of capital assets are resulted from choosing improper model for the operation of the laws.

H2- The obstacles and difficulties of the government's new financial system in the acquisition of capital assets are due to the mismatch between the structure and the operational organization of executive agencies.

H3- The obstacles and difficulties of the government's new financial system in the acquisition of capital assets result from inappropriate rules and operating procedures.

H4- The obstacles and difficulties of the governments new financial system in the acquisition of capital assets are resulted from the lack of properly trained staff.

H5- The obstacles and difficulties of the government's new financial system in the acquisition of capital assets are due to lack of belief or lack of dedication of governmental officials.

H6- The obstacles and difficulties of the government's new financial system in the acquisition of capital assets is resulted from the impossibility of true calculating the cost of capital projects.

**Methodology**

The purpose of this research is applied research. In terms of controlling the variables, the study is non-experimental and in terms of survey it is a combination of the correlational and methodology methods. The research population consists of executive directors and financial analysts, auditors, State Audit Court and Financial Controller and auditors and executive vice president in Zanjan province in 2013, and the total population is 170 people. By using Cochran formula, 118 people were determined as the sample. Simple cluster sampling method was used for this study. In this investigation, the interviews and initial discussions with auditors and financial managers of governmental executive agencies and experts working in the field of Audit Court audits of Zanjan province have been used to determine some influencing barriers and to identify the factors of research.

Finally, a questionnaire containing 30 questions was developed. To assess the content and face validity, the questionnaire was given to the teachers, administrators and experts of this field and after obtaining some views, some reforming actions took place in the questionnaire and the questionnaire was finalized. The coefficient of cronbach's alpha was set above 0.7 and as a result,
the reliability of the questionnaire was confirmed. To test the hypothesis, correlation of the Pearson and bivariate regression were used. Data analysis was performed using SPSS software.

Results:

**Hypothesis 1:** The obstacles and difficulties of the government's new financial system in the acquisition of capital assets are resulted from choosing improper model for the operation of the laws.

Table 1. The regression analysis of relationship between the barriers and problems of the government's new financial system and selecting the inappropriate model to the operation of the laws

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Sig.</th>
<th>Correlation coefficient</th>
<th>coefficient of determination</th>
<th>Durbin-Watson</th>
<th>T-statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selecting inappropriate model to operate the law</td>
<td>Obstacles and difficulties of the government's new financial system</td>
<td>0.021</td>
<td>0.518</td>
<td>0.049</td>
<td>1.96</td>
<td>2.34</td>
</tr>
</tbody>
</table>

According to Table 1, the significance of this relationship has been calculated 0.021, that is less than 0.05. Therefore, the relationship between two studied variables is confirmed. The value of test statistic is 2.34, which shows the relationship between these two variables is significant. Finally, it should be stated that the coefficient of determination of this experimental was calculated 0.04, which indicates that the independent variable in this study, explains 4% of variability of the changes. The coefficient of correlation was positive, indicating a direct relationship between the two variables. The Durbin-Watson statistic shows the non-correlation between the errors of variables. Due to this, it can be concluded that the investigated independent variable is determined as an effective barrier for the government's new financial system in the acquisition of capital assets.

**Hypothesis 2:** The obstacles and difficulties of the government's new financial system in the acquisition of capital assets are due to the mismatch between the structure and the operational organization of executive agencies.

According to Table 2, the significance of relationship is calculated 0.000, which is less than the criterion 0.05. Therefore, the relationship between two studied variables is confirmed. Also, the value of test statistic is 4.09, which shows a significant relationship between these two variables. Finally, it should be stated that the coefficient of determination of this experiment is calculated 0.05, which shows the independent variable in this study, justifies 5% of the changes in the dependent variable. The coefficient of correlation was positive, indicating a direct relationship between the two variables. The Durbin-Watson statistic shows the non-correlation between the error of variables.
Therefore, it can be concluded that the studied independent variable is determined as an effective barrier to the government's new financial system in the acquisition of capital assets.

**Hypothesis 3**: The obstacles and difficulties of the government's new financial system in the acquisition of capital assets result from inappropriate rules and operating procedures.

**Table 2. Regression analysis of relationship between the barriers and problems of the government's new financial system and mismatch between the structure and the operational organization**

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Sig.</th>
<th>coefficient of correlation</th>
<th>coefficient of determination</th>
<th>Durbin-Watson</th>
<th>T-statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mismatch between the structure and the operational organization</td>
<td>The obstacles and difficulties of the government's new financial system</td>
<td>0.00</td>
<td>0.653</td>
<td>0.050</td>
<td>1.96</td>
<td>4.09</td>
</tr>
</tbody>
</table>

**Table 3. The regression analysis of relationship between the barriers and problems of the government's new financial system and inappropriate regulations and operating procedures**

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Sig.</th>
<th>Coefficient of correlation</th>
<th>Coefficient of determination</th>
<th>Durbin-Watson</th>
<th>T-statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inappropriate rules and operating procedures</td>
<td>Obstacles and difficulties of the government's new financial system</td>
<td>0.00</td>
<td>0.411</td>
<td>0.09</td>
<td>2.00</td>
<td>5.59</td>
</tr>
</tbody>
</table>

According to Table 3, the significance of this relationship is calculated 0.00, that is lower than the standard 0.05. Therefore, the relationship between two studied variables is confirmed. Also, the value of test statistic is 5.59, which shows a significant relationship between these two variables. Finally, it should be stated that the coefficient of determination in this test is 0.09, which indicates that the independent variable in this study, explain 9% of the changes in the department variable. The coefficient of correlation was positive, indicating a direct relationship between the two variables. The Durbin-Watson statistic shows the non-correlation between the error of variables. It can be concluded that the studied independent variables is determined as an effective barrier to the government's new financial system in the acquisition of capital assets.

**Hypothesis 4**: The obstacles and difficulties of the government's new financial system in the acquisition of capital assets resulting from the lack of properly trained staff.

**Table 4. Regression analysis of relationship between the barriers and problems of the government's new financial system and to non-teaching staff**

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Sig.</th>
<th>coefficient of correlation</th>
<th>coefficient of determination</th>
<th>Durbin-Watson</th>
<th>T-statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-teaching staff</td>
<td>obstacles and difficulties of the government's new financial system</td>
<td>0.00</td>
<td>0.421</td>
<td>0.17</td>
<td>1.98</td>
<td>8.38</td>
</tr>
</tbody>
</table>
According to Table 4, the significance of the relationship is calculated 0.00, that is less than the criterion of 0.05. Therefore, the relationship between two studied variables is confirmed. Also, the value of test statistic is 8.38, which shows the relationship between these two variables is significant. Finally, it should be stated that the coefficient of determination in this test is calculated 0.17, indicating that the independent variables in the study justifies the 17% of the changes in the dependent variable. The coefficient of correlation was positive, indicating a direct relationship between the two variables. The Durbin-Watson statistic shows the non-correlation between the errors. Therefore, it can be concluded that the studied independent variables is determined as an effective barrier to the government's new financial system in the acquisition of capital assets.

**Hypothesis 5:** The obstacles and difficulties of the government's new financial system in the acquisition of capital assets are due to the lack of belief or lack of dedication of governmental officials.

<table>
<thead>
<tr>
<th>Hypothesis 6:</th>
<th>The obstacles and difficulties of the government's new financial system in the acquisition of capital assets result from the lack of possibility to calculate the true cost of capital project.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Table 5. Regression analysis of relationship between the barriers and problems of the government's new financial system and the lack of belief or lack of governmental official’s attempt</strong></td>
<td></td>
</tr>
<tr>
<td>Independent variable</td>
<td>Dependent variable</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Lack of belief or lack of governmental official’s attempt</td>
<td>Obstacles and difficulties of the government's new financial system</td>
</tr>
</tbody>
</table>

According to Table 5, the significance of the relationship is calculated 0.00, that is lower than the criterion 0.05. Therefore, the relationship between two studied variables is confirmed. Also, the test statistic value is 5.11, which shows the relationship between these two variables, is significant. Finally, it should be stated that the coefficient of determination of this test is calculated 0.07, indicating that the independent variable of this study, justifies 7 percent of dependent variable changes. The coefficient of correlation was positive, indicating a direct relationship between the two variables. The Durbin-Watson statistic shows the non-correlation between the error of variables. Due to these cases, it can be concluded that the studied independent variables is determined as an effective barrier to the government's new financial system in the acquisition of capital assets.

According to Table 6, the significance of the relationship is calculated 0.00 that is lower than the criterion 0.05. Therefore, the relationship between two studied variables is confirmed. The test statistic value is 4.68, which shows the relationship between these two variables, is significant. Finally, it should be stated that the coefficient of determination in this test is 6%, indicating that the independent variable in this study justifies 6% of dependent variable changes.

The coefficient of correlation was positive, indicating a direct relationship between the two variables. The Durbin-Watson statistic shows the non-correlation between the errors of variables. Due to this, it can be concluded that the studied independent variables is determined as an effective barrier to the government's new financial system in the acquisition of capital assets.
Table 6. Regression analysis of relationship between the barriers and problems of the government's new financial system and the lack of belief or lack of possibility to calculate the true cost of capital project

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Sig.</th>
<th>Coefficient of correlation</th>
<th>Coefficient of determination</th>
<th>Durbin-Watson</th>
<th>T-statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of possibility to calculate the true cost of capital projects</td>
<td>Obstacles and difficulties of the government’s new financial system</td>
<td>0.00</td>
<td>0.61</td>
<td>0.06</td>
<td>1.91</td>
<td>4.68</td>
</tr>
</tbody>
</table>

**Conclusion**

According to the results of this research, the problems of the government's new financial system in the acquisition of capital assets have been identified in six cases and the recommendations relating to each issue have been presented as follows: According to the first hypothesis, the obstacles and difficulties of the government's new financial system arising from choosing the improper model to operationalize the laws and regulations, the followings are recommended:

1. Designing a proper pattern for compliance the instructions with the laws and regulations of the financial reporting in accordance with financial structure of the country.
2. Paying attention to the objectives of the financial reporting and the preparation of laws and regulations and proper instructions governing the computational and financial guidelines.

According to the second hypothesis, the obstacles and difficulties of the government's new financial system caused by mismatch between the structure and operational organization of executive agencies, the cases are recommended as follows:

1. Creating a balance between the functions of the financial staff and financial system by recruiting and training educated and experienced workforce in the field of finance and computer for true performing of the government's financial system in executive agencies
2. Creating proper computer communication infrastructures for implementing the Government's financial system
3. Using integrated and efficient software for proper performance of the government's new financial system in the executive agencies
4. Including the educational courses as communicational and informational technology in all fields of governmental accounting
5. Educating suitable and applicable governmental accounting software during B.A education.

According to the third hypothesis, that states the obstacles and difficulties of the government's new financial system are due to inappropriate regulations and operating procedures, the followings are recommended:

1. The government's financial system is not in compliance with the financial rules and regulations, and should be studied and revised and the comprehensive and integrated rules should be developed.
2. Designing a system by using comprehensive and integrated rules for full and timely reporting, that provides the necessary information for financial decisions in executive agencies.

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3- By using a professional body composed of university professors, chief of the Ministry of Economy and Finance, General Accounting Office auditors and others, who are associated in the governmental accounting to create a balance between regulations and financial guidelines with international standards for complete reporting of the financial system, and using their opinions in the formulation of regulations and guidelines.

According to the fourth hypothesis, the obstacles and difficulties of the government's new financial system are due to the lack of proper education of staff, the followings are recommended:

1- Training the financial managers and administrators for appropriate implementation of the government's financial system having necessary adequacy and quality.

2- Educating graduated people in financial courses (governmental accounting) should be proportionate with special needs of the performance of the government's financial system and the provision of the governmental accounting courses with practical application.

3- Designing proper educational system to create motivation in managers and financial experts are training who are motivated for corporating and using the training classes.

4 - Training managers and financial experts compatible with the training needs to be repeated in appropriate times and short-term program to upgrade the professional skills of the auditors staff based on evaluations of the performance and job description that make the most effective ways of training for the exected staff.

5 - Motivating the authors and faculty to develop new curriculum content of the governmental accounting that is in compatible with the government’s new financial system conforming the rules and regulations and the standards of governmental accounting.

Regarding the fifth hypothesis, the obstacles and difficulties of the government's new financial system are due to lack of proper effort of the officials and executives, the followings are recommended:

1- Informing the benefits of performing the new system for the officials and executives and associated with the preparation of the financial guidelines.

2- Appropriate use of the comments of the Executive in preparing and implementing financial system, so that the standards or rules and regulations can be adopted, that the managers and staff have suitable motivation and trust for the enactment of them.

3- In the appointment and promotion of the officials and managers, the awareness of the government's financial system should be considered.

According to the sixth hypothesis that states the obstacles and difficulties of the government's new financial system resulting from lack of proper calculating of the costs, the followings are recommended:

1- Proper design of financial reporting including recording depreciation expense to calculate the acquisition cost of capital assets in order to clarify the financial statements.

2- Optimal use of international standards for calculating the cost of financial reporting, and creating the basis for operational budgeting.

3- Designing an appropriate method of cost-sharing from the credits for performing the projects of the acquisition of capital assets in the cost calculation.

4- The proper classification of costs resulting from delays in the implementation of the plans to acquire the effect of delay in the implementation of capital assets acquisition plan to make macro-economic decisions for the Cost-Benefit of the future projects.

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