

## Improving the system evaluating the quality of governance and effective use of budget funds

*Assel Ismailova, Lyazzat Sembiyeva, Ceslovas Christauskas, Gulzhan Alina*

The purpose of the study is to create proposals and recommendations to improve the system evaluating the quality of governance and efficient use of budget funds in order to improve public welfare and sustainable development. The research methodology included application of statistical methods to review scientific articles, legislative acts and other documents, study models for evaluating the quality of governance and efficient use of budget funds. Mathematical modeling and forecasting methods were also used to assess aspects of governance and predict the results when changes are made, including building a trend model and determining the forecast values of accrued taxes and mandatory payments for 2024–2026. The conclusions highlight there is a positive correlation between the accrued taxes and mandatory payments to the budget of the Republic of Kazakhstan, and an economic growth and changes in tax legislation. The key factors influencing the quality of governance and efficient use of budget funds were identified. Recommendations were developed to improve the quality assessment system and governance of budget funds in order to increase efficiency and responsibility in financial management. The results of the study can be used by public administration bodies and financial institutions to optimize the governance of budget funds.

### Keywords

budget funds; efficiency; quality of management; resources; taxes

### References

Aigazin, Z. (2023). Losing financial independence: how tax centralization slows down the development of the regions of the Republic of Kazakhstan. Available online:

[https://m.forbes.kz/actual/expertise/teryaya\\_finansovuyu\\_nezavisimost\\_kak\\_nalog\\_ovaya\\_tsentralizatsiya\\_tormozit\\_razvitie\\_regionov\\_rk](https://m.forbes.kz/actual/expertise/teryaya_finansovuyu_nezavisimost_kak_nalog_ovaya_tsentralizatsiya_tormozit_razvitie_regionov_rk) (accessed on 1 February 2024).

Atrokhova, A. N. (2022). Improvement of Methods of Quality assessment of Financial Management of chief administrators of budgetary Funds. *Finance: Theory and Practice*, 26(5), 33–48. <https://doi.org/10.26794/2587-5671-2022-26-5-33-48>

Barbiero, O., Cournède, B. (2013). New Econometric Estimates of Long-Term Growth Effects of Different Areas of Public Spending. OECD Economics Department Working Papers, 1100.

Blazely, A. (2018). OECD best Practices for performance budgeting. Available online: [https://one.oecd.org/document/GOV/PGC/SBO\(2018\)7/en/pdf](https://one.oecd.org/document/GOV/PGC/SBO(2018)7/en/pdf) (accessed on 1 February 2024).

Bodlaj, M, Čater, B. (2019). The Impact of Environmental Turbulence on the Perceived Importance of Innovation and Innovativeness in SMEs. *Journal of Small Business Management*, 57(sup2), 417–435. <https://doi.org/10.1111/jsbm.12482>

Bureau of National Statistics. (2023). Data from the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan for 2013-2022. Available online: <https://www.stat.gov.kz> (accessed on 1 February 2024).

Caruana, J., Brusca, I., Capercione, E., et al. (2019). Exploring the relevance of accounting systems in the pursuit of financial sustainability of public sector enterprises: a holistic approach. In: Caruana, J., Brusca, I., Capercione, E., et al. (editors). *Financial Sustainability of Public Sector Organizations*. Palgrave Macmillan, Cham. pp. 1-18.

Conclusion. (2023). Conclusion to the report of the Government of the Republic of Kazakhstan on the execution of the republican budget for 2022. Available online: <https://www.gov.kz/memleket/entities/esep/documents/details/470570?lang=ru> (accessed on 1 February 2024).

Cuadrado-Ballesteros, B., & Bisogno, M. (2022). Budget transparency and financial sustainability. *Journal of Public Budgeting, Accounting & Financial Management*, 34(6), 210–234. <https://doi.org/10.1108/jpbafm-02-2022-0025>

Deng, S., Peng, J., & Wang, C. (2013). Fiscal transparency at the Chinese provincial level. *Public Administration*, 91(4), 947–963. <https://doi.org/10.1111/padm.12031>

Gemmell, N., Kneller, R., Sanz, I. (2011). Fiscal Policy Impacts on Growth in the OECD: Are They LongRun? Available online: <https://pdfs.semanticscholar.org/eca1/08deaf73c53bfec78c30e673a2b240b17a83.pdf> (accessed on 1 February 2024).

Gil-Garcia, J. R., Helbig, N., & Ojo, A. (2014). Being smart: Emerging technologies and innovation in the public sector. *Government Information Quarterly*, 31, 11–18. <https://doi.org/10.1016/j.giq.2014.09.001>

Gillan, S. L., Koch, A., & Starks, L. T. (2021). Firms and social responsibility: A review of ESG and CSR research in corporate finance. *Journal of Corporate Finance*, 66, 101889. <https://doi.org/10.1016/j.jcorpfin.2021.101889>

Gilmour, J. B. (2007). Implementing OMB's Program Assessment Rating Tool (PART). *OECD Journal on Budgeting*, 7(1), 1–40. <https://doi.org/10.1787/budget-v7-art5-en>

Henri, J. F., & Wouters, M. (2020). Interdependence of management control practices for product innovation: The influence of environmental unpredictability. *Accounting, Organizations and Society*, 86, 101073. <https://doi.org/10.1016/j.aos.2019.101073>

- Hutapea, F. L., Widyaningsih, A. (2017). The Effect of Good Government Governance and Legislative Size on Local Government Performance (Study on Provincial Governments in Indonesia) (Indonesian). *Jurnal Aset (Akuntansi Riset)*, 9(1), 173–186. <https://doi.org/10.17509/jaset.v9i1.5446>
- Jung, H. (2022). Online Open Budget: The Effects of Budget Transparency on Budget Efficiency. *Public Finance Review*, 50(1), 91–119. <https://doi.org/10.1177/10911421221093412>
- Kapoguzov, E. A., Suleimenova, G. K. (2017). Evaluation of the effectiveness of government agencies in the context of strategic management and organizational development in the Republic of Kazakhstan. *Art of Management*, 9(3), 452–475. <https://doi.org/10.17072/2218-9173-2017-3-452-475>
- Khan, A., Hildreth, W. B. (2002). *Budget Theory in the public sector*. L.: Quorum books. 298p.
- Kozera, A., & Głowicka-Wołoszyn, R. (2016). Spatial Autocorrelation in Assessment of Financial Self-Sufficiency of Communes of Wielkopolska Province. *Statistics in Transition New Series*, 17(3), 525–540. <https://doi.org/10.21307/stattrans-2016-036>
- Miller, G., Hildreth, W. B., Rabin, J. (2010). *Performance-Based Budgeting*. An ASPA Classic. Colorado: Westview Press. 504p.
- Peacock, S. (2008). *An Evaluation of Program Budgeting and Marginal Analysis Applied in South Australian Hospitals*. Melbourne. 128p.
- Ranking. (2023). Budget donors: which regions fill the budget of Kazakhstan the most? Available online: <https://ranking.kz/reviews/banking-and-finance/donory-byudzheta-kakie-regiony-bolshe-vseh-napolnyayut-byudzheta-kazahstana.html> (accessed on 1 February 2024).
- Rodríguez Bolívar, M. P., del Carmen Caba Pérez, M., & López-Hernández, A. M. (2015). Online Budget Transparency in OECD Member Countries and Administrative Culture. *Administration & Society*, 47(8), 943–982. <https://doi.org/10.1177/0095399713509238>
- Schick, A. (2014). The metamorphoses of performance budgeting. *OECD Journal on Budgeting*, 13(2), 49–79. <https://doi.org/10.1787/budget-13-5jz2jw9szgs8>
- Shahvalizadeh, A., Fouman Ajirlou, N. (2020). The impact of performance based budgeting on improving the quality of financial reporting (case study: Ardabil province social security). *Journal of Accounting and Management Vision*, 3(31), 137–154.
- Silva, A. S., Santos, H., Ramalho, J., Moreira, R. (2018). Theatre and sustainable territorial communities: A case study in Northern Portugal. *Journal of Rural Studies*, 63, 251–258. <https://doi.org/10.1016/j.jrurstud.2018.04.004>
- Sutopo, B., Wulandari, T. R., & Adiati, A. K. (2017). E-Government, Audit Opinion, and Performance of Local Government Administration in Indonesia. *Australasian*

Accounting, Business and Finance Journal, 11(4), 6–22.  
<https://doi.org/10.14453/aabfj.v11i4.2>

Valle-Cruz, D., Fernandez-Cortez, V., & Gil-Garcia, J. R. (2022). From E-budgeting to smart budgeting: Exploring the potential of artificial intelligence in government decision-making for resource allocation. *Government Information Quarterly*, 39(2), 101644. <https://doi.org/10.1016/j.giq.2021.101644>

Voznyak, H., Mulka, O., Bil, M., Radelytskyy, Y. (2022). Financial wellbeing of households in instability. *Investment Management and Financial Innovations*, 19(1), 135–144. [https://doi.org/10.21511/imfi.19\(1\).2022.10](https://doi.org/10.21511/imfi.19(1).2022.10)

**link to the source** <https://doi.org/10.24294/jjpd.v8i7.4856>