

Development of general budget of the Kingdom of Saudi Arabia in accordance with the administrative quality and programmed budget System

Elham N. Al rajhi¹

Abstract

In this study a proposed scenario for the development of the Saudi Arabian general budget according to the administrative quality and the programmed budget system. The researcher used the descriptive and analytical approach through the literature in specialized research, web sites and a number of documents on the public budget in the kingdom. The philosophy of the proposed scenario is to support the existing trend of diversifying the sources of national income in the country, and to reconsider the existing public expenditure policies with a view to rebalancing current and investment expenditures in the public budget of the country. In the meantime work to improve the efficiency and effectiveness of the performance and productivity of the public services and the development of service. According to that an over view has made as a series of recommendations which, it is hoped, will inform the policy makers in the kingdom to disseminate and operationalize the quality culture within the government sectors. Creation of an accurate, rich and renewable technical information base, reshaping the intellectual framework in the government sectors, and taking care of the selection of effective management leaders to achieve the vision 2030 for the future development of the country.

1.Introduction

The planning of financial resources is one of the most important tasks facing the State. Many countries have drawn up long-term or short-term plans for significant development developments. States are working on the annual budget approach as one of the tools by which to plan and organize the state's public finances.

"The budget has become increasingly important as the economic role of the state has deepened and expanded since the late 19th century. The budget is no longer just a regulatory tool, but has become a guiding tool at times, sometimes at all levels of movement or public activity in its political or social dimensions. Economic or financial ... "(Arab and Assaf, 1986: 5).

The budget of the Kingdom of Saudi Arabia plays an important and influential role in economic and social development. The budget reflects the economic and social program of the government and is an effective tool for project planning and development. "The general budget has increased since 1970 - 1390H when the country's first five-year development plan Has allocated hundreds of billions of riyals in the general budget to spend on various development projects "(Al-Melhem, 1998).

Saudi Arabia, as a country experiencing a comprehensive development renaissance, has realized that, as in other countries, the advent of the twenty-first century, where only the nations

¹ Department of Educational Administration and Planning, College of Education Umm Al-Qura University, Makkah- Saudi Arabia

*Corresponding Author Email: enraghai@uqu.edu.sa

that are concerned with achievement, excellence, merit, quality and production, requires the achievement of quality standards in all fields. Improving the quality and quality of services is one of the most important national aspirations. The Eighth Development Plan of the State, in the context of its priorities, includes "developing services at the lowest cost, highest quality and in the shortest possible time" to enable them to deal efficiently and flexibly with the challenges resulting from scientific developments, (Ministry of Economy and Planning, 2005, p. 411, p. 425).

This positive trend to improve the quality of the Saudi economy can be achieved through the application of the principles of total quality - after its suitability with the Saudi environment - especially since these principles are not new to us, our Islamic values include the same standards, the quality in the deepest forms is perfection, From the care of tajweed and mastery.

The change in the status of this budget from year to year in terms of development and growth in addition to the financial situation of each year in terms of deficit or surplus. As a result of the situation and developments of Saudi Arabia's general budget and its suffering from various problems, this research comes as a result of the proposal to develop the general budget of Saudi Arabia and ways to develop it in light of the overall quality.

2. Research problem

The Saudi government relies on the preparation of the general budget of the state on the budget items, despite the emergence of other types of budgets such as budget performance and programs and budget planning and programming and zero balance, and some criticize the commitment of the state of this type of budgets, despite the emergence of many negatives in the application and the emergence of other types more useful and As a step to develop the state budget The study conducted by the Ford Foundation for Studies and Consultations in 1385 e to the need to adopt the budget of programs and planning to adjust the situation of the general budget in the Kingdom, has passed the state budget in some previous years with a deficit may be that Due to the inaccuracy in planning and correct preparation of the budget or the economic conditions experienced by the state, and pointed out that "the continuation of the application of the balance of items will lead to further waste of available resources and increasing public debt" and given the budget for the previous year (2009) and the year (2010), we find that it is completely different from its predecessors by announcing deficit in 2009 with a capacity of (45) and 2010 with a capacity of (70), is this due to the inaccuracy of planning in the preparation of the budget or what? Or are there new developments in the country's imports?

In response to the growing scientific and technological revolution in the contemporary world, and its accompanying cultural competition, it emphasized excellence as an urgent necessity and highlighted the inevitability of the Saudi economy and the adoption of its institutions as a key criterion for judging the quality of the government economy and upgrading its institutions. , Processes and outputs, and increase productivity through the development and improvement of its performance on a continuous basis, and to achieve a regulatory environment that is innovative and keen on quality and excellence.

In view of the awareness of the role of the Saudi economy in sustainable development, the problem of the current study, which is the subject of which is the following, is the need to find out how to prepare the annual budget of the Kingdom of Saudi Arabia and what are its main import and expenditure bases and the most important obstacles? What are the rational ways to develop them to achieve the state's development goals in all sectors? What is the best alternative for developing this kind of budget?

And the formulation of a proposed scenario for the development of the budget in Saudi Arabia in light of the quality standards and the budget system programmed.

3. Research importance

- The importance of this study stems from the vitality of the subject, which is the quality of the budget, which is a tool for the development of society and the means of manufacturing its renaissance.
- This study comes in response to the future vision of the development plans of the state towards the government sectors, which is working on developing the methods of preparing the budget according to modern theories, at the lowest cost, and the highest quality and in the shortest possible time.

4. Research Aims

Developing a proposed scenario for developing the general budget of the Kingdom of Saudi Arabia in light of the quality standards and the programmed budget system.

5. Research Methodology

The methodology of the study in this research is descriptive and analytical by reviewing a number of literature related to the subject of research in books, articles, specialized researches, internet sites and a number of governmental documents related to the general budget in the Kingdom.

6. Previous studies

There are some studies on the subject of research, the following is a summary of these studies:

6.1. The study of "Al-Qahtani 2009" aims to identify the effect of the total quality model on administrative aspects in the governmental sector while shedding light on the problems that may be faced by developing countries in case of applying the concept of total quality management and proposing suitable solutions. The application of the overall quality management from the Japanese institutions and companies to the American administrative experience in the same field. The researcher then tackled the most important obstacles facing the application of the total quality management model in the government sector, the most prominent of which are the continuous

change in leadership, weak financial system and information. And the organizational culture prevailing in this sector. His research concluded with a review of the most important considerations to be taken into account in applying the overall quality model in the public sector.

6.2. The study of "Derbas 2010" entitled "The possibility of applying TQM to the private sector in Saudi Arabia" and found to the researcher that the application of this model will not be easy as there is no escape from the problems and obstacles that will arise before and during the process of application, which result from: Information systems in the private sector / lack of qualified / central training staff in policy formulation and decision making.

In the opinion of the researcher that these obstacles can be gradually eliminated just to make the necessary arrangements to create an environment free of obstacles with the support and conviction of the higher authorities responsible for this important sector.

6.3. Tishori study (2010) A study entitled "Improving performance in the public sector" has put forward several recommendations that help to raise and improve the performance in the areas referred to in the public sector to increase the satisfaction of beneficiaries and improve performance in the national economy. In order to achieve better performance of the public sector, the following recommendations can be mentioned:

- Determine what should and should not be done by the State activities, put forward what the state should not do for private investment in order to improve services, reduce public sector costs and indebtedness, and increase the level of public-private partnership.
- Support the trend towards evaluating the performance of public programs and projects through financial control bodies, in order to achieve the achievement of the so-called institutional evaluation.

6.4. The study of Abdul Latif (1991): entitled "Economic Planning for the Education Sector in the Kingdom of Saudi Arabia" The study aims to study the objectives and policies of education in the Kingdom of Saudi Arabia and the economic planning of this sector in terms of funding and expenditure and linking education to the needs of economic development

Main results:

- Planning is important as a method and organizational procedure aimed at meeting the needs of individuals and the nation.
- There is a strong relationship and mutual effect between economic development and social development.

There is a close link between education and training on the one hand and manpower planning on the other.

- The existence of a phenomenon of increasing volume of spending on education with a lack of methods and means of financing.

6.5. The study of Noor-Eldin (2005) entitled "Ways to Investigate Economic Development in Some Arab Countries - Feasibility Study in the Knowledge Economy as an Indicator of Achieving Greater Value Added." He presented several proposals for achieving successful

economic development by adopting the knowledge economy as one of the cognitive methods in Arab society Based on:

- Development of the national State, which is responsible for the development and implementation of economic and social development programs.
- Work on the spread of education and the involvement of elements of heritage with the elements of rationality to form the logical mind and the pattern of scientific thinking.
- Encouraging scientific research leading to creativity and innovation, and the invention applicable in the field.
- The need to encourage the spread of industry and manufacturing and the widespread use of technology.

6.6. The study of Al-Shaykhi (1989): entitled "Means of bridging the deficit of the general budget in the Islamic economy - comparative study" The aim of this study is to present a study on the nature of the public budget in the positive and Islamic economies.

Main results:

- The Islamic economy preceded the positive economy in the knowledge of the idea of the general budget and rules, where it was estimated revenues and public expenditures in advance, as defined the principle of the annual, was also taking into account the preparation of the general budget to achieve the general objectives of the Islamic state.
- Emphasis in Islam on the state's commitment to priorities in public spending to satisfy the necessities and then needs and then improvements.
- Islam is the balancing of the balance of the general budget is desirable as long as it is achieved in light of the adequacy of the basic needs and interests of society, otherwise sacrificed to achieve these interests.
- One of the main causes of the budget deficit in the Islamic economy, natural accidents and economic crises, wars and strife and financing economic development.

6.7. Al-Lahiani Study (1989): Entitled "The General Budget in the Islamic Economy: A Comparative Study" The aim of the study is to study the general budget of the State to identify the extent of its application in the Islamic State, the rules, the cycle and the processes of preparing the general budget and the priority of income and expenditure in precedence in the estimation comparison with positive economy.

Main results:

- There was no general budget comprehensive in the contemporary concept in the Islamic State.
- The budget in the Islamic economy is committed to the rule of privatization in some of the general revenues, while the rest of the budget rules, it is up to the Islamic state take the appropriate conditions and achieve their interests.
- The necessary expenses have a higher priority in the estimation of revenues, and non-essential expenditures are estimated after the revenue estimate.
- Adoption of the budget in the Islamic state of the right of the guardian to consult the people of the solution and the contract in the nation.
- Building a vision for a general budget in the Islamic economy in which the budget is divided into a budget for zakat and a basic budget that arranges public expenditure according to the needs of

the needs, necessities, and improvements according to the five supplies which are the supplies of religion, soul, mind, family and money.

7. Ways to develop the general budget in the Kingdom of Saudi Arabia

Development of general budget of the Kingdom of Saudi Arabia is not a new idea; the Ministry of Finance previously tried in 1385 AH as step for administrative reform in the State by utilizing Ford Technical Consults Establishment which recommended in its report that the planning and programming approach shall be adopted instead of the budget items. However, the situation is still the same; the budget items approach is still applicable, so new rational approaches, methods shall be considered to transcend the negatives of application of item budget and compensate it, and there shall be attempt to increase the state resources without relying on the oil resources, and to adopt the planning and programming budget even if on narrow range in some ministries and departments of government, then to generalize their application and transform from application of the item budget on the general budget of the state to the planning and programming budget because of its multifaceted positives. (Al Batel, 2004).

For development of the general budget of the state in relation to the government services sector, Al-Desouky (1988) called for development of accounting system of budget to achieve sufficiency and efficiency, and maximize the benefit of the amounts of general budget and to assess them well.

8. Here is presentation of the key suggests for development of the current budget status

8.1. To establish strategic vision and objections: the item budget focuses on purchase of goods and services and doesn't focus on having governmental programs with specific strategic objectives, which affects the measurement of efficiency of government units. Therefore, there shall be clear strategic vision and objectives for each government department to allocate certain items for them to purchase the necessary items for achievement of those objectives. Achievement of those objectives is the scale of performance. (Farhoud, 2011) referred to the importance of defining and clarifying the vision and objectives, which is to make Malaysia a developed country by 2025, "Wawassan 2025" Project. This was set since 1991, and defined how to reach the goal and identify the obstacles and how to overcome them.

8.2 Attention to planning and training of specialized expertise in the field of strategic planning : The item budget emphasizes control, accounting and auditing, without combining them with planning and preparation of programs, so there shall be specialized persons in the field of planning and they shall be linked to the development plans in the State to invest all financial costs of each budget to achieve development objectives in the state.

8. Proposed steps

9.1. Preparation of time research plan on scientific bases:

This aims at expanding the application of the principles of total quality and starts from identification of the realities and ends to be reached. Accordingly, scientific studies are prepared

in all material and human, administrative and technical sides and training needs to determine the performance and productivity standard and to identify the obstacles to avoid them and report problems to treat them. (Al-Layhani, 2012).

9.2.Utilization of information and telecommunication technology in the government sectors, institutions and departments:

The key requirements for achievement of quality include provision of information and communication technology and its effective application by making it focus of work inside and outside those institutions and departments, and enforcing them in the e-government work that has become the most widespread and expedite pattern in the modern era, and to provide renewable database to represent the key reference for everyone who looks for information in any sector. This base shall include sufficient data on the services of government sectors and their service quality, in terms of statement of increase or decrease of national manpower from the various specialties. This would help the decision-makers form common future visions to direct quality and work on its achievement and to translate this in the future vision 2030 to procedures and operations that can be implemented on the level of budget preparation. (Al-Mahdy, 2017).

9.3.Coordinate the efforts of "Quality Control Department" in public corporations:

Control of quality is the recipe that drove the productivity of the Japanese. This is due to the enormous effect of this approach in mobilization of capacities to the objective, which is the effect not achieved by the work plans prescribed by the top management. (Al-Amry, 2011)

9.4. Dissemination of the culture of specific quality in government departments:

For achievement of quality and effectuation of participation of all workers to achieve this transformation to quality, radical changes of the common traditional culture shall be made, and the quality, excellence, superiority, creativity and innovation culture shall come to light. This requires raising of the workers' awareness of the objectives, methods and concepts of total quality to translate those concepts and objectives to practical procedures on floor within its organizational climate to be outstanding performance style.

9.5.Determination of standard and accounting systems:

Administrative evaluation processes wouldn't exist unless it is related to motivation, achievements and results, so there shall be "accounting and standard systems" to be based on scientific methodology that depends on the results of scientific research and evaluation studies.

9.6.Broadening the base of participation of Shura Council in making the decisions of financial management.

Achievement of budget quality is not monopolized or excluded by certain person in this system; it is joint cooperative processes in which each individual in shura council and society shall participate. (Mahrezy, 2005)

The foregoing is fertile field for effectuation of the planning and programming budget; many developed countries adopt this type of budgets, so the country can't adopt this type of budgets at present. However, it is better to start application gradually by reliance of this type of budgets on governmental management for five years and circulation of application to the other governmental departments in the state, so the state would have sufficient opportunity to approve application of it.

10. Suggestions for application of the programmed budget system

Al-Dory and Al-Janaby (2005, 257) noted that the key requirements for application of programmed budgets include:

- 10.1. Support of system and provision of necessary report for it by the supreme organizations.
- 10.2. Transforming the engagement authority in charge of the project follow up works with issuance of decisions binding upon the ministries.
- 10.3. The Establishment shall obtain its own budget under its disposal to be prepared based on programs.
- 10.4. Granting capacities to the program officials in the way that guarantees easy implementation of the plans and ratification of them.
- 10.5. Adopting decentralization in implementation and use of credits in accordance with the needs of programs to enable them to choose the means they find more effective in implementation of plans to reach their objectives.
- 10.6. Adapt the accounting system to the programming system.
- 10.7. Adopting information (statistic) system that provides the necessary information to officials of all levels.
- 10.8. Examining the organizational structure of the establishments and making the necessary changes in cooperation with the appropriate authorities and creating organizational structure in line with the program structure as much as possible.
- 10.9. Following up the training and development of the persons engaged in the duty and the establishments included in the application, and providing the necessary conditions to upgrade their efficiency and provide the material and moral incentives to make further efforts for success of the duty.

11. Scenarios of application of the programming budgets: (Al-Shebany, 2013)

- 11.1. Allocation of independent budget for the unit to which the system applies.
- 11.2. Indexing the budget in accordance with the program structure not on the basis of conventional classification applied under the control budget.
- 11.3. Redistribution of capacities and determination of liabilities, and granting the financial and administrative capacities to the program officials.
- 11.4. Applying accounting system on program bases secures definition of the program and event cost.
- 11.5. Development of the statistic devices their good supply of information to management and program officers.

12. Advantages of the program budget

The following table indicates the advantages of the program budget (Noureddin, 2005):

1- Planning	This budget urges managers to set short and long term future plans regularly and continuously. This comes as an inevitable result of goal setting and costs of achieving them as required by the program budget cycle.
2- Definition of objectives	Application of the program budget forces managers to set general goals and therefore specific measurable goals. In the American experience of application of this budget, there is the best evidence of this. A senior US government official said about application of the program budget that it has credit for making those responsible for government authorities think and define the objectives of the agencies that they manage.
3- Definition of outputs	Setting and applying the program budget requires determination of the program outputs in advance when setting each program and determining its actual outputs by the end of each period. This fosters the so-called performance control and measurement of achievement of the desired objective.
4- Estimation of costs	To set the program budget, costs of alternatives of each program shall be set separately. This would provide the decision-makers with suitable information on each program to make the proper decision.
5- Program analysis	Application of the program budget requires that information be available in the establishment or the ministry on each program. This fosters request and use of them in solving the problems, planning, control and making the various decisions on sound scientific grounds (Dares, 2014)
6- Control	It is taken for granted that each public or private establishment is managed by man, regardless of its complicated automated systems. Therefore, use of detailed program budget for each small consistent package of activities that aim at reaching certain performance and therefore certain objective that fosters the employees knowledge of what is expected of them. This by itself promotes control of performance.
7- Coordination	Use of detailed budget helps diagnose and set the objectives, outputs and activities. This promotes coordination among the various departments of the public corporation. For example, the employees training program, employee appointment program and procurement program depends on the need to other programs in those programs and so on. (Al-Dory, 2005)

13.Recommendations

According to the above review, the researcher recommends as follows:

13.1.To disseminate the culture of quality in public sector and effectuating it quantitatively and qualitatively.

13.2.Creating accurate, rich and renewable technical information base that enables decision-makers in the various administrative levels to draw future vision to direct quality and work on its achievement in the government sectors.

13.3.Preparing the formulation of ideological framework of public sectors and caring for choice of the effective management staff to achieve the future vision 2030 in development of the country by supporting the ideological and creative capacities for the development plans.

14. References

- 1- Al-Desouky, El Sayed Metwally El Morsy (1988). Accounting development of general budget in the service sector using the system analysis concept, Magazine of social science, p. 83
- 2- Nouredin, Farouk (2005 AD): "Means of handling economic development in some Arab Countries- Feasibility study on the knowledge economy as an indicator for achievement of higher added value, Arab Science Society."
- 3- Al-Dory, Muayyed Abdulrahman; Al Janabin, Taher Moussa (2005). General Budget Management, Amman: Zahran Publishing House.
- 4- Al-Shebany, Mohamed Abdullah (2013). Budget and its applications in the Kingdom of Saudi Arabia.
- 5- Al Batel, Abdullah Hamdan (2004). Government Budget Deficit impact on the private sector investments in the Kingdom, King Saudi University Magazine, Vol. (17). Management Science (1)
- 6- Farhoud, Mohamed Saeed (2011). Public Finance: Applied study to the Kingdom of Saudi Arabia, Riyadh, Institute of Public Administration.
- 7- Al-Layhani, Saad Hamdan Hamed (2012 AH): Title "General Budget in Islamic Economics: Comparative Study"
- 8- Al-Shaygy, Walid Khaled Youssef (1989): Title "Means of Bridging General Budget Deficit in Islamic Economics- Comparative Study"
- 9- Nouredin, Mohamed (2005): "Means of Handling Economic Development in some Arab Countries- Syrian Model (2005) feasibility study in knowledge economy as indicator for achievement of higher added value"

- 10- Al-Mahdy, Saeed Al-Rahmany (2017): "Fundamentals of public expenditure and the problem of inequality of them with revenues", Bureau of University Press, Central Yard bin Aknoun.
- 11- Al-Amry, Mohamed Abdullatif (2011). Program budget, significance and advantages, Economics and Management Magazine, King Abdulaziz University, Research and Development Center, pp.31-39.
- 12- Dares, Hamed Abdulmaguid (2014): "Principles of Public Finance", Alexandria Center.
- 13- Mehrezy, Mohamed Abbas (2005): "Public Finance Economics", Bureau of University Press, Central Yard bin Aknoun.
- 14- Saudi Arabian Monetary Agency

<http://www.sama.gov.sa/newreports/annual/ar/section5/files/arb5-2.pdf>

- 15- Ministry of Finance

<http://www.mof.gov.sa/ar/docs/rules/index.htm>

- 16- Al-Qahtani, Mohammed (2009): "The Effect of the Total Quality Model on Administrative Aspects in the Public Sector", Master Thesis, King Saud University, Riyadh.
- 17- Abdullah Hamdan (2004). Combating the Budget Deficit of Private Sector Investment in the Kingdom, King Saud University Journal. Vol. 17. Management Sciences .
- 18-Taher, Farid Bashir and Qabal, Mohamed Safwat (1996). Development of the Saudi budget deficit (1973-1992). Journal of Gulf and Arabian Peninsula Studies. Number (82). Year (21). Pp. 187-221.
- 19- Tishoori (2010) entitled "Improving Performance in the Public Sector", Jordan, Arab Organization for Administrative Sciences
- 20- Al-Melhem, Ibrahim Ali Mohamed (1998). Ways of Addressing Budget Deficit in the Kingdom of Saudi Arabia, Journal of Social Sciences: Volume 26, No. 3, pp. 97-115.
- 21- Al-Lahiani, Saad Hamdan Hamed (1989): "The General Budget in the Islamic Economy: A Comparative Study"
- 22- Derbas (2010) "The Possibility of Applying Total Quality Management to the Sector in Saudi Arabia, No. (3), Riyadh: Institute of Management, pp. 31-47.