



RESEARCH ARTICLE

Developing an Optimal Model of Accrual Accounting System in the Public Sector

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Abstract

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When human societies in science, industry and economics are constantly growing and developing, and the role of financial activities in any development is undeniable, the need for daily accounting development, especially the primary need in society, is felt. It becomes. The primary purpose of accrual accounting is to help users evaluate the economic performance of organizations over a certain period. This research is considered exploratory research in nature. Thus, the research data was compiled in 2020 using semi-structured interviews with experts, coded and analyzed by the researcher, and finally reached theoretical saturation. In addition, the content analysis method and the content network type have been used to analyze the data. The research findings showed the optimal model of the accrual accounting system in the public sector from four comprehensive themes: a) development of institutional trust in executive bodies, b) facilitation in the management process of executive bodies, c) efficient organizational productivity of executive bodies and d) the optimization of the financial rules and regulations of the executive apparatus identified nine organized themes and finally reached theoretical saturation with 43 basic themes. Among the research innovations are achieving social structures such as increasing accountability and responsibility, increasing the reliability of government performance and transparency of financial reports in the form of comprehensive content, and increasing institutional trust in the executive apparatus and managerial and structural structures.

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1. Introduction

Scientific, industrial and economic developments plus daily development of accounting are a basic need so that they cannot be used to plan, target and determine the future policy of each economic unit, review and study accounting information and reports, and from there, accounting information. It should be recorded, classified and summarized in the financial statements alone. Expenditure control has lost its importance with the advancement of government duties and the rapid rise of government spending and its relationship with the general state of the country's economy and has created problems for organizations and the need for improvement in systems, planning, management and control of public sector resources and has highlighted the need to set goals and emphasize results to increase service quality and reduce costs.

Because accrual-based accounting is more complex than cash-based accounting and provides more comprehensive information, governments face a wide range of essential issues in implementing public sector accrual accounting standards. These issues include identifying assets, liabilities, revenues and expenditures, having full political support at the governance level, and allocating sufficient and appropriate resources. Governments need to analyze the costs and benefits of adopting accrual accounting and have the capacity to implement these changes effectively before deciding to transition to accrual accounting. Political commitment and adequacy of existing systems are the factors that affect the success of change in accounting principles. Governments that have made this change pay more attention to accrual accounting (Nowak, 2017).

Having effective and efficient information is a critical resource that can make organizations successful in facing these conditions. On the other hand, due to the continuous complexity of internal and external requirements of organizations, managers' information needs have become more diverse and complex. Correct and informed choices require correct, complete, accurate and timely information.

Having effective and efficient information is a critical resource that can make organizations successful in facing these conditions. On the other hand, due to the continuous complexity of internal and external requirements of organizations, managers' information needs have become more diverse and complex. Correct and informed choices require correct, complete, accurate and timely information (Rakhshani et al., 2021).

Efforts to implement accrual accounting increased in the public sector with the announcement of comprehensive and integrated programs for the resistance economy, so in paragraph one of Article 26 of the Law on Adding Certain Articles of the Law on Public Sector Regulation, Financial Regulations (2), Public Sector Accounting Necessary to change the legal provisions are provided. The most important measures taken to support public sector accounting after the start of the reforms are: (a) the establishment of a specialized accrual accounting committee in the provinces; (B) the formation of a working group for the implementation of accrual accounting; (C) developing and communicating a short-term executive plan for accrual accounting; (D) Sending the audit board to the executive bodies and announcing the weaknesses of the accounting system; (E) to draw up regulations for the commentary of paragraph one of Article 26 of the Law on the Accession of Certain Articles to the Laws Regulating a Part of the Government's Financial Regulations (2); (C) developing and communicating asset identification procedures; (G) formulating and communicating debt recognition procedures; (H) creating the necessary platform for receiving and processing the balance of operations and preparing financial statements in the immediate supervision system of the Deputy of Financial Supervision and Treasury of the whole country (Senama); (G) Preparing and communicating a roadmap for the full implementation of accrual accounting in the public sector; (D) Updating the public sector accounting system each year in accordance with new public sector accounting laws and standards; (I) Responding to inquiries from executive bodies regarding issues

and ambiguities arising from the implementation of accrual accounting; (R) Preparing the executive by-laws of (a), (b) and (c) of Article (8) of the Law on the Sixth Five-Year Plan for Social, Economic and Cultural Development of Iran; And (g) preparation of audit procedures for the financial statements of public sector reporting units subject to Note (2) of Article (4) of the Executive Regulations of paragraphs (a), (b) and (c) of Article (8) of the Sixth Five-Year Development Plan Law (Akrami, 2020).

Accrual accounting requires public sector entities to keep complete records of assets and liabilities to facilitate management control and help managers compare service costs. The accrual basis provides more vital information and a more robust financial reporting system than the cash base and can be helpful in public sector reform (Hajiha et al., 2021).

Public Sector accounting seeks to record the financial effects of transactions, events and conditions that have cash consequences on the receipt, receipt or payment of cash by the Company, but not on the occurrence of those transactions, circumstances and needs. Public sector accounting also assists government agencies accountable for all aspects of accountability, including economic and government financial performance. Therefore, it can be said that the primary purpose of accrual accounting is to help users evaluate organizations' economic performance over time (Hajiha, Ostad Mirzaei, 2013). We can understand the most crucial difference between accrual and cash accounting principles with a simple comparison. Instead of traditional cash accounting, accrual accounting is much more appropriate because the costs are compared to the performance objectives in accrual accounting rather than to the previously agreed budgets. In accrual accounting, income is recognized and recorded when it is realized. Revenue time is when revenue is definitively identified or earned through the provision of services; therefore, this method does not consider the time of receipt of money. Consequently, what matters in determining and recording income is the timing of the realization of income. In addition, costs are identified and recorded when incurred or incurred (Maleki et al., 2014).

Various studies have pointed to the positive consequences of accrual accounting and its objectives. Among them are researchers such as Maleki et al. (2014), Naghizadeh Baghi et al. (2015), Mohammadzadeh Saleteh and Faraji (2016), Hajiha and Ostad Mirzaei (2013), Caperchione (2015) and Bushman, Lerman and Zhang (2016) mentioned the impact of public sector accounting on performance-based budgeting, accountability, transparency and decision-making.

Accrual accounting has a significant impact on improving the quality of government financial performance reports in Iran. The transition from cash to accrual accounting is a change in the accounting system and a conceptual shift in applying accounting principles and standards in public sector management (Naghizadeh Baghi et al., 2015).

Therefore, considering the theoretical and empirical importance of accrual accounting in various sectors, especially the public and government sectors, the present study intends to develop an optimal model for the accrual accounting system in the public sector.

2. Theoretical Background and Hypothesis Development

The transition to accrual accounting in the public sector goes far beyond a change in accounting rules and regulations because this change affects the entire public sector. In order to carry out the transfer process, it is necessary to fully address the various challenges arising from the adoption of accrual accounting and define a precise and clear methodology and practical plan. Since accounting is based on a more complex commitment than cash-based accounting and provides more comprehensive information, governments face a wide range of essential issues in implementing public sector accrual accounting standards. Among these issues are identifying assets, debts, incomes and expenses, enjoying full political support at the sovereign level, and allocating adequate and

appropriate resources. Governments need to analyze the cost and benefits of adopting this approach and can implement these changes efficiently before deciding to transition to accrual accounting. Political commitment and adequacy of existing systems affect the success of changes in accounting principles. The governments that have made this change are more attentive to accrual accounting (Nowak, 2017).

Public sector accounting is a system that collects, classifies, summarizes, and reports financial information about the activities of government agencies and ministries to make sound financial decisions and control approved annual budget plans and government funding. The public sector accounting system is essential for evaluating managers' productivity. The public sector accounting system follows the budgeting system, compares financial information with the financial data projected in the budget, and reveals desired or unwanted budget variations (Kacholi, 2016). The main objectives of the public sector accounting system can be classified into three groups: 1. Assists the public sector in playing and evaluating the accountability role. 2. Meets the information needs of users of the financial reporting of reporting units. And 3. Provides the necessary basis for estimating and calculating the costs of activities, programs, services and products to implement performance-based budgeting (Public Sector Accounting System, 2019).

In the world of public sector accounting, a distinct move, the new Public Management Model (NPM), has profoundly impacted accounting practice (Mahadi et al., 2017). One of the by-products of this movement is the commitment-based accounting system, which certainly offers better transparency and efficiency tools due to increased financial supervision and management. Many governments have adopted these accounting systems. The eighth principle of the 12 GASB states that the adjusted accrual or accrual basis should be used to measure the financial situation and operating results. The detailed explanation of this principle is as follows: 1. Accrual accounting is preparing a crucial operational budget to accurately estimate revenues and expenses and create a basis for savings and reduction of project costs. 2. Accrual accounting means having access to comprehensive and accurate management data to allocate and optimize available resources. 3. All financial events in accrual accounting provide transparency and full identification of expenses, revenues, property and assets.

In accrual accounting, the cost of services in the service process is straightforward and transparent. Accrual accounting means providing the necessary basis for using government financing facilities and guaranteeing the implementation of large projects. Regarding the use of accrual basis and adjusted accrual basis mentioned in the third paragraph of this principle, it is argued that accrual basis is the superior accounting method for the economic benefits of any organization. It insists on measuring actual events and transactions, not just receiving or paying cash, thus enhancing accounting data's objectivity, relevance, completeness, timeliness, and comparability. Therefore, it is recommended that the accrual basis be used in all its practice areas in the public sector. The accrual basis is used in independent accounts of government funds with minor differences (adjusted accruals) in the independent accounts of equity funds (Mahadi et al., 2017).

As an efficient information system, accounting and financial reporting in the public sector have two outstanding features. On the one hand, as one of the main tools for fulfilling financial and operational accountability, it helps elected and appointed officials fulfill their accountability and ensure the rights of citizens to know the facts about the receipt and consumption of public funds. On the other hand, maintaining and providing useful financial information on time provides the necessary grounds for the correct decisions of the mentioned officials and managers under supervision to achieve the goals of the government and its affiliated units (Rahmati and Pourzamani 2021).

Financial supervision in the implementation of public sector accounting is considered one of the critical issues. The General Accounting Law entrusts the accountant with the exercise of supervision

before and during the expenditure in the executive bodies. Therefore, it will be essential to pay attention to the direct impact of the performance of accountants in the financial supervision of public sector accounting in Iran. The pre-expenditure oversight system is vital to a country's financial oversight. It is increasingly criticized by the country's executive officials (Jani et al., 2021). The public sector financial accounting and reporting system, as one of the main tools for realizing and evaluating the financial and operational accountability of the public sector, can play a significant role in achieving this (Gholami Jamkarani and Kaveh 2019).

While government agencies have accepted the application of public sector accounting at various levels within the NPM, research on accrual accounting in the public sector has increased and extensive knowledge in the public sector accounting literature has been enriched (Mahadi et al., 2017). For this reason, many governments see the change process as part of a new public administration agenda and the accrual approach to achieve the public sector with a "semi-commercial and functional" approach. Proponents of this theory argue that this type of accounting provides more relevant data for managerial decision-making, ultimately leading to a more efficient and effective public sector (Hyndman and Connolly, 2011).

Despite the growing popularity of accrual accounting worldwide, the way it is accepted in different countries has been other. According to Christiaens et al. (2010), these differences are observed at two levels of content: the duration of the transition from cash to accrual accounting and how accruals are accepted. Canada introduced accrual accounting in the public sector in 2002, and the United Kingdom implemented it in the public sector in 2006 (Bruns, 2014). As staunch advocates of accrual accounting, Australia and New Zealand have set the same standards for both sectors to reform the accounting system of public sector units and move towards traditional accounting in for-profit units. Despite the environmental differences between public, for-profit, and accounting departments, traditional occupations in for-profit units can be used in government units to increase the transparency and usefulness of financial statements (Foroughi and Sudan, 2015).

The importance of the accounting and financial reporting system with the main features generally agreed upon by experts as one of the main tools for fulfilling and evaluating accountability is unanimous. There is no significant difference between their views on this issue. Also, from the respondents' point of view, the government's accounting and financial reporting system does not have the necessary capabilities to assess accountability compared to the expected accounting system (Gholami Jamkarani and Kaveh, 2019).

Accrual accounting in the public sector of Iran was first used as a reporting basis by the Municipality of Tehran in 1991 when the municipality made optimal use of this method's benefits in identifying and recording its assets. For example, in May 2006, the total property of Tehran Municipality in the cash system was 3,765 billion rials, calculated in the accrual system as 8,776 billion rials. One of the valuable problems in developed countries is the necessary resources for the field of health since more than five percent of GDP and about five to ten percent of government expenditures are related to this sector, so the economic work of the health sector needs a special place to analyze and control the performance of costs and adopt appropriate policies for the optimal allocation of resources and improve the quality of services. In 2006, the Ministry of Health and Medical Education, after changes in its management structure to the Board of Trustees, due to the benefits of accrual accounting and cost control, independently changed the basis from cash accounting to accrual and was expanded to medical universities of the provinces. The Islamic Republic of Iran is one of the developing countries that has realized the need to change its accounting system. Given the experience of changing the accounting system in the public sector, the Ministry of Health and Medical Education and municipalities in the last decade and its positive effects on transparency and financial accountability can help change the financial system in the government and

its subsidiaries. Despite the experience of other countries, it is a successful transition in this direction (Deputy of Economic Research, 2015).

If the accrual basis of accounting is chosen for forecasting and budgeting, major changes in resource allocation, time savings, significant reduction of costs, increased organizational security, etc., will occur. On the other hand, it is necessary to have an appropriate accounting system to help perform public accountability, meet the information needs of users of financial reports and create the essential basis for extracting and calculating the cost of programs, activities, services and products for performance-based budgeting, so that the transparency of accounts and the presentation of comprehensive financial reports through the calculation of the cost of services and management of costs and the preparation of periodic performance reports can be the main objectives of the accrual accounting process (Zabihullah Nejad, 2020).

In Iran, accrual accounting has been emphasized due to the preparation of the necessary conditions for implementing comprehensive programs of the resistance economy. In other words, using accrual accounting can strengthen the country's financial system to increase productivity and provide the necessary basis for maintaining public spending and economic transparency (paragraph 9 of the Communication on Comprehensive Plans of Resistance Economy). Considering the tough decision of the government and paragraphs 3, 16 and 19 of this communiqué to achieve the goals of the resistance economy, it provides the necessary basis for realizing these goals. Given that the link between the chains of accounting financial systems and its output is used by the other two pillars of the system (budgeting and auditing), changing the basis of public sector accounting is the starting point. It is intended to strengthen the country's financial system. Therefore, the comprehensive application of this type of accounting is considered one of the country's current requirements.

The need to change and theorize financial perspectives is felt when examining the overall framework for financial performance in the public sector. Complex organizational structures have doubled the need to predict future profitability in economic activities and evaluate costs and revenues, the need to provide new solutions and thus the application of accrual accounting in the public sector.

2.1. Literature review

Mahadi et al. (2014) showed that moving towards accrual accounting was to implement problems such as identifying and evaluating assets, human resources competence, and high implementation costs.

Bruns (2014) showed that using an accrual accounting system motivates and promotes public services and stakeholder satisfaction.

Toma et al. (2015) concluded that higher capital gains from the accrual accounting system, not the cash system. Caperchione (2015) believes the accounting system's effectiveness is effective in Australian municipalities' performance. In addition, the complexity of the accounting system and the risks of corruption, fraud and compromising domestic capital are less visible.

Bushman et al. (2016) noted a significant decrease in the relationship between accrual accounting and cash flows and showed no significant difference between the disclosure of accrued operating cash flows and cash accounting.

Nowak (2017) believes that the underlying variables related to implementation barriers include the lack of qualified and skilled accountants in the public sector and this overshadows the change in public sector accounting such as the acceptance of public sector accounting standards; he also added the behavioral variables to the set of factors.

Since the study is qualitative, the research hypothesis is refused. The questions of the present study are as follows:

1. What desirable model can be presented for the accrual accounting system in the public sector?

2. What elements make up the optimal model of the accrual accounting system in the public sector?
3. Does the public sector's optimal model of accrual accounting system have the necessary credibility and reliability?

3. Research Methodology

This research is part of nature, is applied in terms of the type of research, and is strategically part of inductive research. In addition, the current research is qualitative and thematic in terms of data nature and data collection method. Therefore, the data were collected through semi-structured interviews (including open-ended, guided or structured questions and face-to-face interviews) with experts and specialists in accrual accounting 2020 nationwide and coded and analyzed by the scholar. Finally, with 10 semi-structured interviews, the research data has reached theoretical saturation. According to [Flick \(2009\)](#), the theoretical saturation of this category (in this study, themes) is the basis for assessing the time required to stop sampling from the various groups associated with that category. That is, nothing new is achieved. More precisely, theoretical saturation is when (a) no new or relevant data is available. (B) the category is well developed and provable in terms of features and dimensions, and (c) the relationships between categories are well defined and validated ([Strauss and Corbin, 1998](#)). Finally, to design the optimal model of the accrual accounting system in the public sector, content analysis and a network of themes (indicating the relationship and dependence between themes) were used to analyze the data.

In addition, the validation method was used as a communication method to validate the themes of the model ([Flick, 2009](#)). This way, the interviewed members control the basic, organized and comprehensive issues. Also, the audit method, such as quoting experts (auditors and consultants), was used to confirm the mentioned items. To evaluate the reliability of basic, organized and comprehensive themes, two methods of reproducibility and transferability (generalizability) were used ([Strauss and Corbin, 1998](#)). Such that in the reproducibility, the coefficient of agreement method between two coders or a collaborating researcher is used ([Sarukhani, 2008](#)) and the existing inconsistencies have been eliminated (the reliability coefficient obtained was equal to 0.91 and in that part of the themes that there were disagreements between the two encoders, revision has taken place).

Table 1. The characteristics of the respondents in the thematic analysis study

No.	Gender	Education	Age	Occupation	Field of study
1	Male	Master's	47	Accountant	Accounting
2	Male	PhD	42	Director General	Governmental Management
3	Female	Bachelor's	43	Accountant	Accounting
4	Male	Master's	49	Deputy of Support and Human Resources	Business Management
5	Male	Master's	57	Director-General	Economical science
6	Male	PhD	46	Accountant	Financial Management
7	Female	Master's	48	Accountant	Accounting
8	Male	Master's	45	Administrative and Financial Assistant	Accounting
9	Male	PhD	53	Director General	Economy
10	Male	Master's	47	Accountant	Accounting
Total	10				

In order to transfer or generalize, theoretical sampling has been tried to be as regular and complete as possible ([Strauss and Corbin, 1998](#)). Academic and executive experts at various levels were invited to conduct semi-structured interviews. Table 1 shows the characteristics of the interviewees in the content analysis study.

4. Findings

Content analysis was used in interviews with experts in the field of accrual accounting. The content network method was used as one of the content analysis methods. Content analysis is done in different ways, including theme format (to determine hierarchical levels of themes Extracted), a matrix of themes (to compare themes), and a template of themes (to show the relationship and dependence of the themes). Themes Network is a content analysis method developed by [Attride-Stirling \(2001\)](#). The following steps must be performed to obtain a network of themes: (a) Discovering key themes (identifiers and key points of the text). (B) Discovering organized themes (themes derived from summarizing and combining key themes). C) Examining broad themes (excellent themes that incorporate the text's principles). Inclusive themes are at the heart of the subject network. Organized themes are the link between the overarching and central themes of the network. The main themes express an important point in the text and by combining them, an organized theme is formed ([Abedi et al., 2011](#)). Next, the analysis of data obtained from semi-structured interviews with accrual accounting professionals with a theoretical coding process that includes open, pivotal, and selective encryption to discover key, organized, and comprehensive topics, and finally, a network of topics. The general accrual accounting system is paid.

Table 2. Theoretical coding process in the public sector to cover the basic, organized and comprehensive themes of the accrual accounting system

Selective Coding	Open Coding	Open Coding
Comprehensive themes	Organized themes	Basic themes
Increase institutional confidence in executive agencies.	Transparency of financial report	Reduce financial error
		Achieve financial transparency
		Optimizing financial efficiency
		Clarity about income and expenses
		Achieve transparency of material and financial resources.
		Functional government transparency
		Examine financial statements thoroughly.
		Proper and accurate review of expenses and revenues
		A proper review of expenses, income and assets and debt
		Recognize government debts and demands.
		Report and record financial events and transactions when they occur
		Control of all capital and assets obtained
		Calculate the financial resources of the programs in a very accurate way.
		Optimize financial events
		Achieve credible financial data.
Achieve complete financial data on the current situation.		
Raise the percentage of confidence in government efficiency.		Enabling accurate financial reporting
		Assess the size of assets and devices thoroughly.
		Achieving valid and useful data
Increased ability to respond and accept government		Increase the confidence of budget decision makers.
		Raise public confidence
		Provide reliable reports of assets and liabilities.
		Increase responsiveness and clarity
		Answering executive devices operationally

	responsibility	Increasing the accountability of managers in the organization Evaluate the level of responsibility of the manager.
Improving the management process of executive devices	Improve the planning and decision-making process	Achieve useful financial data for planning purposes. Optimize decision making and management planning. Optimize planning by relevant managers. Do planning for unearned income. Establishing the right connection between our executive organizations
	Increasing the ability to budget operationally	Facilitate performance-based budgeting Improve resource allocation Assist with operational budgeting.
Improving the organizational productivity of executive organizations	Enhance performance	Optimizing and improving the performance of managers of organizations Improving the performance of executive organizations
	Improving the effectiveness of activities	Influence on the creation of a product or service Optimizing the effectiveness of the work done in the organization
Optimization of financial laws and regulations of executive organizations	Optimization of control and measurement of organizations	Achieve complete data to control government efficiency and performance. Enabling control over the efficiency of organizations Optimize cost and revenue control.
	Avoid financial threats in the organization.	Reducing corruption in executive agencies Reduction of financial violations in the government

The number of comprehensive, organized, and basic themes of the optimal model of the accrual accounting system in the public sector extracted from the qualitative data related to the semi-structured interview are shown in Table 3.

Table 3. The number of comprehensive, organized and basic themes of the optimal model of the accrual accounting system in the public sector

No.	Comprehensive Themes	Organized Themes	Basic Themes
1	Increasing institutional trust in executive organizations	3	26
2	Optimizing the management process of executive organizations	2	8
3	Increasing the organizational productivity of executive organizations	2	4
4	Optimization of financial laws and regulations of executive organizations	2	5
Total	Increasing institutional trust in executive organizations	9	43

As Table 3 shows, the optimal model of the accrual accounting system in the public sector is based on semi-structured interviews with 10 accrual accounting experts of theoretical saturation with four comprehensive topics, 9 organized themes and 43 key themes. Figure 1 shows the conceptual model of accrual accounting system networks in the public sector regarding comprehensive and organized themes.

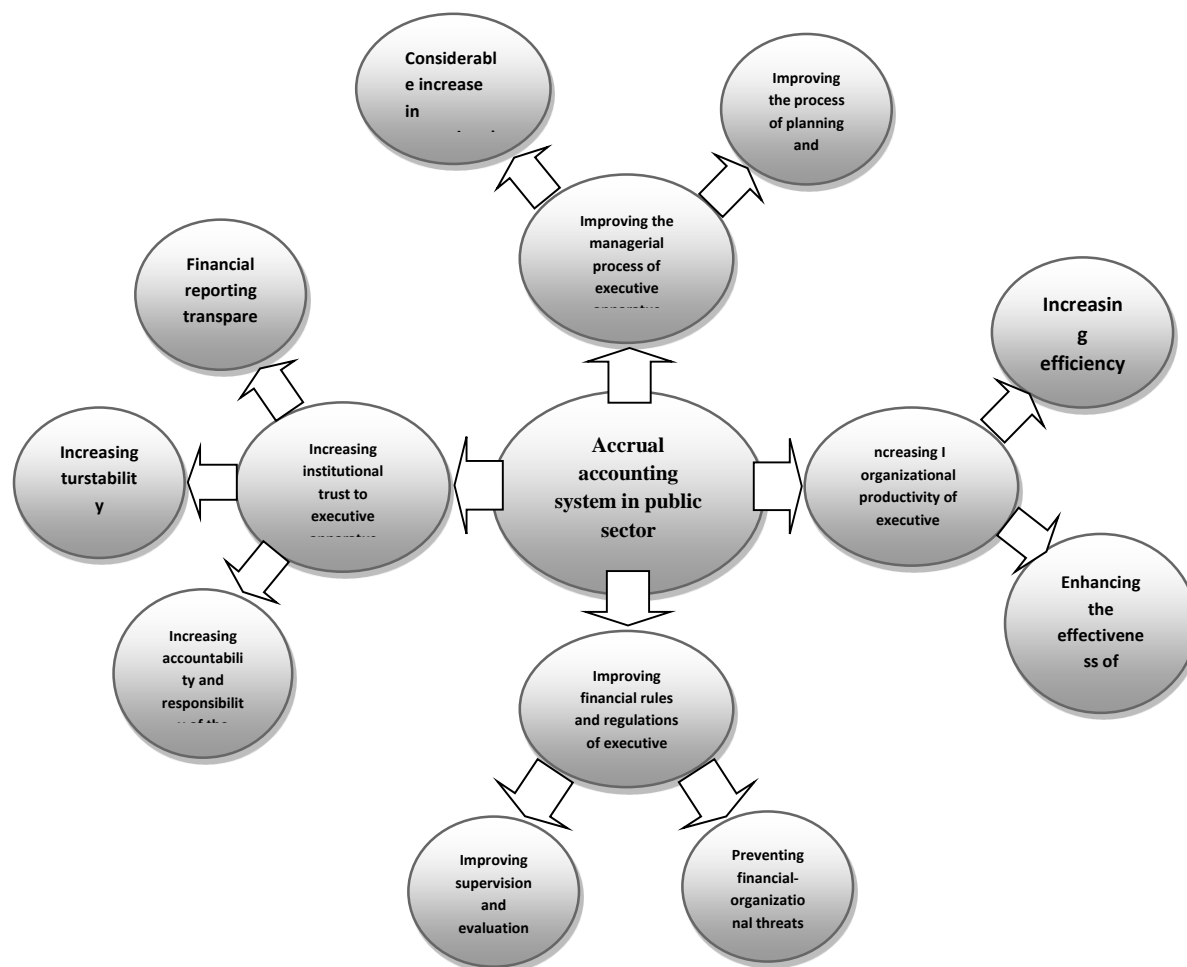


Figure 1. Appropriate network conceptual model of accrual accounting system in the public sector based on comprehensive and organized themes

5. Discussion and Conclusion

The present study, with a qualitative approach and referring to experts and opinion leaders in the field of accrual accounting and conducting interviews in a semi-structured manner and analyzing it by content analysis in the public sector, seeks to identify and enumerate the correct model of the accrual accounting system. The results of the present qualitative study showed that in the public sector, the appropriate network theoretical model of accrual accounting system in the public sector with 4 comprehensive themes had been saturated with theoretical data, which are: 1- Increasing institutional confidence in executive organizations 2- Optimizing the management process of executive organizations 3- Increasing the organizational productivity of executive organizations 4- Optimizing the financial rules and regulations of executive organizations.

In addition, each of these four overarching themes consists of sub-themes, organized as follows: The first overarching theme in the optimal accrual accounting model is to increase institutional trust in the executive branch. The general theme of increasing institutional trust in the executive apparatus includes the three organized themes of "enhancing the credibility of government performance", "transparency of financial reports", and "promoting accountability and government accountability", which are explained in social and group interactions. The social mechanism plays a vital role in a variety of functions. [Anthony Giddens \(2004\)](#) considers trust as waiting for expectations to be met about possible events. In other words, trust can be regarded as a belief in the ability of the individual

or system and adherence to moral principles, abstract and intangible (such as technical knowledge).

Since accrual accounting significantly impacts improving the qualitative characteristics of government financial performance in Iran, one of the most critical issues that can be prepared and submitted by accrual accounting in the country's governing bodies is high transparency financial reports (Naghizadeh Baghi et al., 2015). In addition, the main purpose of public sector financial reporting is to help the government be accountable to the nation (Pourzamani and Moinian, 2015). Thus, institutional trust will also increase in the executive apparatus by strengthening and increasing the transparency of financial reports, confidence in the government's performance, and the government's ability to be accountable. The findings of this study on the above topics are in line with the research of Naghizadeh Baghi et al. (2015), Caperchione (2015) and Bushman et al. (2016) regarding the transparency of financial statements and accountability and strengthen them empirically.

The second most common issue is improving the executive device management process. The general theme of improving the management process of the executive apparatus consists of two organized themes: "Improving the planning and decision-making process" and "Increasing the capacity of operational budgeting". There is a significant and positive relationship between accrual-based budgeting and various dimensions of performance-based budgeting.

The third comprehensive theme of the accrual accounting system is to increase the organizational efficiency of executive bodies. This pervasive theme consists of two organized themes: "increasing efficiency" and "improving the effectiveness of activities" equates productivity with doing the right thing (effectiveness) and doing the right thing (efficiency) (Khaki, 1999). In addition, as a philosophy and vision based on an improvement strategy, the efficiency of human resources is the most crucial goal of any organization. The mission of the management department and the critical and primary objectives of the organization's managers is the effective and improved use of various resources and other facilities such as manpower, capital, information and energy (Safari and Rangriz, 2020). Therefore, individual and organizational productivity will also increase if the executive bodies and their managers have the necessary effectiveness and efficiency. The findings of this study in relation to the above topics are close to Rahmani and Rezaei (2011); in the public sector, accrual accounting better defines the current situation of the reporting unit and increases awareness of economic effects and merges it empirically.

Finally, the fourth comprehensive issue of the accrual accounting system is the reform of the financial rules and regulations of the executive bodies. The general theme of improving the financial rules and regulations of the executive apparatus consists of two organized themes: "Improving the supervision and evaluation of the apparatus" and "preventing financial threats to companies". The findings of this study on the above topics are consistent with Caperchione (2015) and Bushman et al. (2016) that an accrual accounting system leads to better financial management and control and compares the efficiency of management in different sectors.

Finally, it should be noted that the basis of progress in today's turbulent world is based on easier and more access to accurate information and reports. Awareness of the current situation and the ability to create and change is one of the factors facilitating management. However, organizations have a special role in achieving their big goal. On the other hand, managers and organizations need accurate and timely information on increasing optimal decisions, financial transparency, information transparency and reducing corruption, accountability, the possibility of operational budgeting, and organizational efficiency (efficiency and effectiveness).

6. Practical Implications

In order to increase the efficiency of accrual accounting in the public sector, according to the

contents of the statistics and identified to the managers and accountants of the following agencies is recommended:

- Be diligent in increasing the institutional trust of citizens in the executive apparatus due to the transparency of their financial reporting.
- Improve the management process of the executive apparatus by improving the planning and decision-making process in the executive apparatus as well as improving the operational budgeting capability.
- Improve organizational productivity by increasing efficiency as well as improving the effectiveness of activities in the executive apparatus.
- Finally, by improving the financial laws and regulations in the executive bodies, on the one hand, they can prevent organizational financial threats, and on the other hand, they can improve the process of monitoring and evaluation of the bodies by those in charge.

7. Research Limitations

Lack of evaluation and fit of the conceptual model calculated by conducting experimental and field studies and lack of reliability, like all qualitative research (although the necessary measures were taken in this regard), are among the limitations of the present study.

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