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**Performance-Based Budget approach for Palestinian health
NGOs in Gaza strip.**

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بناءً على موافقة عمادة الدراسات العليا بالجامعة الإسلامية بغزة على تشكيل لجنة الحكم على أطروحة الباحث/ رامي محمود إبراهيم الخطيب لنيل درجة الماجستير في كلية التجارة/ قسم المحاسبة والتمويل وموضوعها:

Performance-based budget approach for Palestinian health NGOs in Gaza Strip

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والله ولي التوفيق ،،،

عميد الدراسات العليا

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This piece of work is dedicated to my father and mother, the symbol of hard work and success, it is also dedicated to my wife for her patient, love and continuous support during the study, and to my son, Hamza.

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LIST OF ABBREVIATIONS

CBOs	Community Based Organizations
FAO	Food and Agriculture Organization
GAO	General Accounting Office
GASB	The Governmental Accounting Standards Board
GPRA	The Government Performance and Results Act
MbO	Management by Objectives
MoH	Ministry of Health
MoI	Ministry of Interior
NGOs	Non Governmental organizations
OECD	Organization for Economic Co-operation and Development
PBB	Performance-Based Budget
PNA	Palestinian National Authority
PNGOs	Palestinian Non Governmental organizations
PPBS	Planning, Programming and Budgeting System
RBB	Results-Based Budget
RPPI	The Reason Public Policy Institute
SEA	Service Efforts and Accomplishments
UK	United Kingdom
UN	United Nation
UNESCO	United Nation Educational, Scientific and Cultural Organization

UNRWA	United Nation for Relief and Works Agency
US	United States
WHO	World Health Organization
ZBB	Zero-Based Budgeting

Performance-Based Budget approach for Palestinian health NGOs in Gaza strip.

ABSTRACT

Performance based budget can be defined as a system of budgeting that presents the purpose and objectives for which funds are required, the costs of proposed programs and associated activities for achieving those objectives, and outputs to be produced or services to be rendered under each program. A comprehensive performance budgeting system quantifies the entire results-based chain as inputs, outputs (quantity and quality of goods and services produced), outcomes (progress in achieving program objectives), impacts (program goals), and reach (people who benefit from or are hurt by a program).

This research studied the basic elements for Performance-based budget in health NGOs in Gaza strip from managers Perspective.

The research studied the Performance-based budget in terms of strategic planning, Performance measurements, financial system, managerial system, and the funding level. The main findings of the research were:

- Strategic plan is widespread among health NGOs.
- Input and output measures are used and widespread among health NGOs.
- Outcome, efficiency, service quality and Benchmarking is used but with less degree to input and output measures.
- Financial and managerial system is applied within Health NGOs.
- Mobilizing the necessary fund that will be used to accomplish goals is difficult process.

In order to improve budgeting method and to link input resources to results, health NGOs must commitment to the following:

- Strategic plan should be revised and evaluated on periodically basis.
- Linking input resources with outcome or impact on citizen to determine the effectiveness of organizations.
- Develop and Activation the performance measurements within budget preparation, execution and auditing.
- The necessary to develop new accounting systems that could be able to trace the expenditure and determine if it involve in formulation the result or not.
- The managers should conduct their organization on concept managing for results.
- Health NGOs should prepare its own projects according to its vision not donors desire.

موازنة الأداء في المنظمات الصحية غير الحكومية الفلسطينية العاملة في قطاع غزة

الملخص

يمكن تعريف موازنة الأداء بأنها نظام وضع الموازنة الذي يبرر غرض وهدف التمويل المطلوب, كما يحدد تكلفة البرامج المقترحة والأنشطة المرتبطة بها لإنجاز أهداف البرامج, بالإضافة لتحديد المخرجات التي يمكن إنتاجها أو الخدمات المقدمة والمخصصة لكل برنامج.

يمكن تعريف عناصر موازنة الأداء بأنها السلسلة التي تقود إلى أهداف المؤسسة وهي المدخلات, والمخرجات (كالكميات المنتجة أو جودة السلع أو الخدمات المقدمة), والأثر (كالتقدم في إنجاز أهداف البرامج الفرعية), والأثر النهائي (إنجاز أهداف البرامج الكلية) و الوصول (للناس الذين انتفعوا أو تضرروا من البرنامج).

تم في هذا البحث دراسة العناصر الأساسية لموازنة الأداء في المؤسسات الصحية غير الحكومية من وجهة نظر المدراء, وقد تمت دراسة موازنة الأداء وذلك من ناحية التخطيط الإستراتيجي ومقاييس الأداء والنظام المالي والإداري ومستوى التمويل, وكانت النتائج الرئيسية كالتالي:

- الخطة الإستراتيجية مطبقة في المؤسسات الصحية غير الحكومية بشكل واسع.
 - مقاييس المدخلات والمخرجات مستخدمة ومنتشرة بشكل واسع في المؤسسات الصحية غير الحكومية.
 - يتم استخدام مؤشرات الأثر النهائي, الكفاءة, جودة الخدمة, والمعايرة ولكن بدرجة أقل من مقاييس المدخلات والمخرجات.
 - النظام المالي والإداري مطبق في المؤسسات الصحية غير الحكومية.
 - تجنيد الموارد الضرورية والتي ستستخدم في إنجاز أهداف البرامج يمكن وصفها بالعملية الصعبة.
- من أجل تطوير طرق وضع الموازنة وربط المدخلات بالنتائج المتوقعة للبرامج, يجدر بالمؤسسات الصحية غير الحكومية إتباع التالي:-

- يجب مراجعة وتقييم الخطة الإستراتيجية دورياً لتحديد مدى الوصول للأهداف المنشودة.
- ربط موارد المدخلات بالأثر النهائي على الجمهور لتحديد مدى فعالية البرامج.
- تطوير وتفعيل مقاييس الأداء عند تحضير وتنفيذ ومراجعة الموازنة.
- ضرورة تطوير نظم المحاسبة والتي يمكن من خلالها تتبع النفقات والتأكد أنها أنفقت من أجل هدف معين.
- يجب إتباع النظم الإدارية الحديثة في الإدارة والتركيز على مدى الوصول للنتائج المرجوة.
- على المؤسسات الصحية غير الحكومية أن تبلور رؤيتها الخاصة وأن لا تتبنى رؤى الآخرين فيحدد بها عن هدفها الأساسي.

Chapter 1

Introduction

1.1 Preface

Non governmental organizations (NGOs) exist every where because of a human quality that brings people together to provide services for themselves and others and to campaign against abuse of people and the environment (Hudson, 1995). Not for profit organizations. In other words, Not governmental organizations have the biggest role in assisting the Palestinian community in Gaza strip. For example the Ministry of Health is the primary provider of health services to the population, with about 40% of primary health care, 31% at UNRWA and 29% at private and NGOs facilities (Giacaman et al, 2003, p61).

The Palestinian health system consists of four sectors: governmental, private, non governmental and services run by UNRWA for refugee (Bisan center, 2006).

Health NGOs need to enhance their services and to know what they accomplish instead of just what they do, furthermore, managers need to improve financial management in their organization to achieve their mission, objectives and goals.

Budgeting in NGOs is an essential process to make fund raising to the NGOs, but in recent years donors demand greater emphasize on their money, where it is spent ,what achieved, what is the real outcome or its impact on society. The budget is an efficient tool to trace the money toward its justification and to attain those goals which had been targeted.

Traditional budgeting approach where budgets, largely incremental, had lines for items such as staffing and travel but said nothing about what that expenditure was intended to achieve in relation to service delivery (Rose, 2004).The traditional budget is a very easy process to allocate the budget items. However, there is greater probability to duplicate the mistakes or to shift failures to the next years. The traditional budget can't reveal who is responsible for failure.

Kristensen et al (2002) identify three approaches to management and budgeting: an input focus, an output focus and an outcome focus.

“Input-focused management and budgeting is oriented toward how much resources, staff, facilities, etc. are made available for a program or ministry. The amount of money being spent on a program or problem is often the main performance measure when managing to input. The internal management information of an input system does not reveal what the resources actually bought or achieved were and often an input focus is accompanied by process regulation – i.e. standards and rules on how inputs should be aligned, how things should be done.” (Rose,2003, p17).

Kristensen et al explain the Output-focus management and budgeting as follows:-

“An output-focus to management and budgeting typically describes public functions in terms of goods or services and calculates how many services are being delivered, or products produced. An output focus is primarily oriented to indicators such as volume and timeliness, and to a varying degree, quality; for example how many beneficiary claims will be processed with minimal errors.” (Rose, 2003, p18).

Kristensen et al explain the Outcome-focus management and budgeting as follows:-

“In outcome-focused management and budgeting, the government defines what a particular program or function is to achieve in terms of the public good, welfare or security; for example, outcomes to reduce the incidence of disease or ensure, for most students, a certain level of educational attainment. Having defined the outcomes, an outcome system typically defines indicators, which helps assess how well it does in achieving these outcomes.” (Rose, 2003, p19).

So it is very necessary to study the performance-based budget or Results-based budget in Palestinian health NGOs in Gaza strip in order to know about performance measurements that used toward achieving the goals of

organization. And to know what actual achievement obtained and focusing on outcomes, rather than process or input.

1.2 Justification of the study

NGOs budgeting have focused on inputs, such as the resources, funding staff, travel, stationery, fuel and other operational costs. Despite importance, yet, this approach does not always give attention to actual achievements in terms of result guided activities and funds.

In profit companies, efficient resources allocation depends on the free flow of information between consumer and producer. Price signals reflect consumer preferences, customer satisfaction, supplier cost, and producer performance. Competition eliminates poor performance and shifts resources to those entities that improve efficiency and elevate utility.

NGOs, however, do not typically receive performance information through price signals, consumer satisfaction, and the management needs to know about the service delivered to people and the quality, quantity, how effective and what they accomplish rather than what they do.

In recent years, donors and most of global humanitarian aid have demanded better accountability not only for the use of resources, but also for results and outcome. As a result, performance-based budget becomes the financial tool that helps decision-makers to measure their performance, effective, and efficiency of their programs.

So, it is essential to know about the new approach and how to apply them in Gaza NGOs.

1.3 Research problem

The problem of this research is the extent to which performance-based budget is applied in health NGOs in Gaza as a tool to achieve the expected results.

1.4 Research Questions

- 1- Do Health NGOs have regular strategic plan?
- 2- Are performance measurements available and used in budget process?
- 3- Do Health NGOs have strong financial system?
- 4- Is the managerial system serves as the foundation of managing for results?
- 5- Will the availability of fund support the applicability of Performance-based budget in health NGOs?

1.5 Research variable

The research dependent variable is performance-based budget, the research independent area is:

- Strategic plan.
- Performance measurements.
- Financial system.
- Funding level.
- Managerial system.

1.6 Research hypothesis

- 1- The existence of strategic plan is significantly significant at 0.05 level among health NGOs.
- 2- The existence of performance measurements is significantly significant at 0.05 level among health NGOs.

- 3- The existence of financial system is significantly significant at 0.05 level among health NGOs.
- 4- The existence of managerial system is significantly significant at 0.05 level among health NGOs.
- 5- The existence of funding level is significantly significant at 0.05 level among health NGOs.
- 6- There is a significant difference among the respondents toward Performance-based budget due to personal trends.

1.7 Research importance

In Arab world, Performance-based budget or results-based budget seems to not be examined. This is because of the lack of information about the approach and interested researchers in the field of budget in Palestine or in Gaza strip in particular. According to knowledge of the researcher, this is the first study in Gaza strip devoted to performance-based budget in health NGOs.

The study will contribute to the development of the NGOs budgeting and enhance the library resource in the field of the NGOs.

In addition, the study will be a good tool to develop the managerial aspects in financial organization in Gaza strip.

This study may serve as a good reference to the interested people and researchers in the field of budgeting. In addition, it may serve as a guide for the possibility of applying the new approach in NGOs or in public budgeting.

1.8 Objectives of the study

1.8.1 General objective

To evaluate the commitment of the NGOs in Gaza toward linking input resources to achievement via budgeting.

1.8.2 Specific objectives

- 1- To identify to which extent the NGOs in Gaza try to achieve their goals with efficient manner.
- 2- To identify to which extent the NGOs in Gaza have strategic plan.
- 3- To describe the extent to which performance measurements used within budget preparation, and implementation.
- 4- To identify the existence of managerial and accounting system in NGOs in Gaza.
- 5- To draw conclusion if the NGOs in Gaza try to link performance measurements with results.

1.9 Previous Studies.

1.9.1 (Aleksander, Aristovnik, and Seljak, Janko, 2009), Performance budgeting: selected international experiences and some lessons for Slovenia

The main purpose for the paper is to discuss the concept of performance budgeting and challenges encounter the countries across the world when seeking to implement performance budgeting. The paper also presents the methodological framework applied in defining goals in a Slovenia as well as the role of social indicators and performance indicators for specific units/programs in public administration.

The authors developed a theoretical concept of connections between different levels of long-term goals, implementation goals as well as efficiency and effectiveness indicators at the level of sub-programs of selected budget users. The authors think that such a theoretical and methodological framework constructed in this way will hopefully serve as the basis for realizing the concept of Slovenian direct performance budgeting in the near future.

1.9.2 (Hepburn et al., 2007) Structuring a Framework for Public Health Performance-based Budgeting: A Georgia Case Study.

The study seeks to develop a performance-focused financial reporting framework and budget model that has the potential to clearly document prior use of funding, serve as a basis for future funding requests, and, ultimately, project the relationship between funding, programs, and health status.

To do that the researchers had consulted with state and national budgeting officials to better understand challenges and desired objectives for any new budget structure.

The review led to the selection of the reporting methodology developed by the National Association of State Budget Officers (NASBO) and the Reforming States Group (RSG).

The authors drew their conclusion from their study that:-

- 1- The NASBO/RSG framework fulfills a major objective of the research to provide for the linkage of financial data with population health needs and core public health functions by service area in a format understandable to practitioners and policy makers.
- 2- The trend analysis provides a foundation for forecasting future funding requests, expected revenue streams, and projected correlations between funding and system behavior. The model accounts for fund source nuances and limitations as well as district variations.

1.9.3 (Waweru, Porporato, Hoque 2006) performance measurement practices in canadian government departments. A survey

The study investigated the use of performance measures, the ways in which performance measures are used and the effectiveness of performance measures in Canadian government departments. The study further investigated

how the new public management "NPM" has evolved in the Canadian public sector which is the key factors for a successful implementation.

Research attempts to address the lack of examination of the use and effect of performance measures in government departments (provincial and municipal) by addressing the following research question of descriptive nature.

- 1) To what extent are performance measures being used?
- 2) How are performance measures being used?
- 3) How effective are the performance measures being used?
- 4
 - a) Why governments decide to implement performance measures?
 - b) What factors affect the success of the implementation of performance measures?
 - c) How are performance measures being maintained and communicated?

The findings of the research study were:-

1-the study found that there was more use of efficiency measures than effectiveness measures. The respondents reported that the use of performance measures enhanced the effectiveness of their programs more than it enhanced the efficiency of such programs.

2- The study findings indicate that performance measures were mostly used by program managers. Ninety-seven percent of the respondents reported that output measures were mainly reported to internal management.

3-the use of performance measures in most Canadian government departments was largely voluntary.

1.9.4 (Curristine, 2005) Performance Information in the Budget Process: Results of the Organization for Economic Co-operation and Development (OECD) 2005 Questionnaire.

The article is based on the results of the OECD 2005 questionnaire on performance information; however, the article provides an overview of the development and use of performance measures and evaluations in the budget process across OECD countries.

The article asks about the real extent of change and if performance information is used in budgetary decision making.

The article examines:

- 1- the different institutional roles and responsibilities in developing performance information;
- 2- the main trends, challenges and success factors for implementation and how this information is used in the budget process;
- 3- What factors contribute to its use or lack of use?

The article also classifies different approaches to performance budgeting. Two significant findings are:

- 1- The majority of countries are engaged in performance-informed budgeting at the Ministry of Finance level (it means, performance information is almost used along with other information to inform but not to determine budget allocations).
- 2- The main reason for not using performance information is the lack of a method to integrate it into the budget process.

1.9.5 (Melkers and Willoughby, 2005) Models of Performance-Measurement Use in Local Governments: Understanding Budgeting, Communication, and Lasting Effects.

The research examines the effects of performance-measurement information on budgetary decision making, communication, and other operations of U.S.

local governments. Data are drawn from a national survey of city and county administrators and budgeters that includes nearly 300 governments.

Findings indicate that:

- The use of performance measurement by local departments is being pervasive.
- There are subtle distinctions between city and county officials in their use of performance measurement for budgetary purposes and processes.
- Consistent, active integration of measures throughout the budget process is important in determining real budget and communication effects in local governments.

1.9.6 (Katherine G. Willoughby, 2004) Performance Measurement and Budget Balancing: State Government Perspective.

The research assesses the applicability for performance measurement in budgeting purposes from budget officers and agency staff perspective in state government.

The results from the research show that:-

- Performance measurement use is effective for improving communication.
- Increasing awareness about results.
- Improving service quality.
- Changing strategies to reach certain results.

Willoughby indicates that the use of performance information is not found as effective at all time for cost, curb program, or for changing spending levels. At least, for short-run, and the budgeters and agency staff should adopt performance measurement applicability for the long-term benefits.

1.9.7 (Romero, Michelle 2004) A Utilization Assessment of the Texas Performance Measurement System.

The purpose of the research is to explore the attitudes and perceptions of state agency leaders toward the utilization of the performance measurement system for Texas.

The research analyzes the critical utilization factors influencing the adoption and development of performance measures and their implementation in the state budget process. Survey research explores state agency directors' attitudes and perceptions to collect data and provided an assessment of performance measurement use.

The following conclusions are formulated based on the survey results.

- 1- The respondents have a favorable opinion regarding the utilization of the Texas performance measurement system.
- 2- The directors have strong support for the communication, information and resource factors that comprise performance measurement development. Regarding the implementation, however, directors' attitudes and perceptions of disposition and bureaucratic structural effects on the system became more complex.
- 3- Respondents felt while agencies use the information to make critical agency decisions, legislators do not use the information for the most critical legislative decisions, appropriating state funds.

1.9.8 (Diamond, Jack, 2003) from program to performance budgeting: the challenge for emerging market economies, International monetary fund.

The paper discussed the improving budget process across emerging market economies. The paper first review the evolution of the new performance

model, the paper try to identify the main component of performance budget in order to make conversion between the current budgeting to the new model, the author argue that the conversion will not be easy and will require four major reform elements:

- 1- Any existing program structure must be set in a wider context of strategic budget planning and medium term budget frame work.
- 2- Redesign and refine existing program structure.
- 3- Existing budget costing system and associated skills will probably need to be improved.
- 4- New system of accountability and budget incentives need to be improved.

According to the author the above mentioned should be viewed as the prerequisites for a successful introduction of the new performance – budgeting model.

1.9.9 (Diamond, Jack, 2003) performance budgeting: managing the reform process, International monetary fund.

The paper examines the process of budget system reform involved in moving from traditional centralizes input-oriented systems to more modern systems, focusing on the constraint of limited managerial capacity. The latter is identified both as that required to operate the new system, but perhaps more important.

More importantly as the change management skills require to engineer the move from one budget system to another based on the experience of countries that have attempted this reform. The paper identifies the principal elements of successful change management strategy and the lessons learned for other countries commencing on similar reform.

1.9.10 (Katherine G. Willoughby, 2002) Performance Measurement Utility in Public Budgeting: Application in State and Local Governments.

The research addresses the following questions to understand the performance measurement adoption and use in state and local governments:

1. Do state and local government officials perceive performance measurement as effective in general?
2. For what types of decisions and processes is performance measurement perceived as most effective?
3. What is the utility of performance measurement for budgeting purposes specifically?
4. Are there distinctions across levels of government among the budgeters regarding their perceptions of performance measurement utility for budgetary purposes?

The author indicates that from her research:-

- Strong majorities of state and local officials indicate performance measurement use in 50 percent to all of their departments.
- Strong majorities of state and local budgeters indicate the appearance of output or outcome measures in the early stages of the budgeting cycle, in agency budget requests, in the executive budget report and in annual operating budgets.
- Performance measurement acceptance as a resource is seeping into the allocation deliberations of legislative branch members. Executive branch members have been working for years to develop, redress, and report about the performance of government activities. It is important for executive branch members to understand if and how legislative branch members use such information to provide legitimacy to performance measurement system requirements.
- Performance measurement is perceived as having its greatest effectiveness related to management decision-making and communication enhancement and not directly to resource allocation decisions.

- There remains a strong attachment to more easily measured aspects of government operation, including input, activity and output measures. There is less use of outcome measures, and very slow advancement of more complex measures of quality, explanation or benchmarking. Local governments are stronger users of quality measures than state governments.
- Strong majorities of state and local budgeters indicate the appearance of output or outcome measures in the early stages of the budgeting cycle, in agency budget requests, in the executive budget report and in annual operating budgets. Appearance of these measures in quarterly reports more than annual reports where the decision maker expect to find summary measures of performance.

1.9.11 Report on the governmental accounting standards board (GASB) Citizen Discussion Groups on Performance Reporting July 2002

The researchers interviewed government officials and citizens in twenty-six state and local governments to determine the depth and breadth of actual use of performance measures by these governments for budgeting, management, and reporting; the effect of their use; and the extent to which governments are ensuring the relevance and reliability of performance measures.

Highlights of significant findings:-

- 1- Participants want to see performance information reported that citizens say is important.
- 2- Participants want a range of different types of performance information Reported
- 3- Measures of outcomes were considered important by participants in all discussion groups, though they sometimes used other phrases to connote outcomes, such as measures of “impact on the lives of the citizenry,” “fulfillment of mission to each person,” “quality of life,” “effects on people’s lifestyles,” and “results that change people’s lives.”
- 4- Measures based on surveys of citizen and customer perceptions and satisfaction were discussed and supported in sixteen of the nineteen discussion groups.
- 5- Participants were interested in disaggregation of some performance information.
- 6- Participants want performance information reported in several comparative contexts.

- 7- Participants want explanatory information reported along with performance Data.
- 8- Participants identified and discussed five main uses of performance measurement: increase government accountability; increase citizen engagement; enable citizens to analyze, interpret, and evaluate public performance; support citizen decision making; and increase citizens' confidence in government.

1.9.12 (Joyce and Sieg, 2000) Using Performance Information for Budgeting: Clarifying the Framework and Investigating Recent State Experience.

Joyce and Sieg conducted analysis of state PBB efforts, focusing on the availability and use of performance information at all stages of the budget process.

The paper argues that the most important question concerns the extent to which performance information is available and used at each stage of the budget process-budget preparation, budget approval, budget execution, and audit and evaluation.

The paper finds that:-

- 1- Strategic planning is widespread,
- 2- Almost half of the states have made significant progress in developing cost accounting systems.
- 3- Two-thirds of the states have outcome measures,
- 4- Only 10 of them were using these measures to set targets for performance.
- 5- Finally, the availability and use of performance information in the budget process is greater at the agency level than it is in the central budget offices or (particularly) in the agencies.

They suggest that there are at least four prerequisites to successful implementation of PBB:

- Public entities need to know what they are supposed to accomplish.
- Valid measures of performance need to exist.

- Accurate measures of cost need to be developed.
- Cost and performance information need to be brought together for budgeting decisions.

1.9.13 (Melkers and Willoughby, 2000) Implementing PBB: Conflicting Views of Success.

The article discussed the main component of PBB such as strategic planning regarding agency mission, goals and objectives, and a process that requests quantifiable data that provide meaningful information about program outcomes.

The authors drew the following conclusions from their research that PBB requiring are now spreads around the states

- Thirty-one have legislated the process to be conducted
- Sixteen have initiated the reform through budget guidelines or instructions.

The authors argue that how many states are utilizing a PBB process, and if PBB has been implemented, has it been successful regarding improvement of agency effectiveness and decision making about spending?

They found that there are different perceptions across the branches of government regarding both the extent of PBB implementation as well as its success. Results show that states with better-known PBB systems have not necessarily realized greater success in terms of effectiveness from this budget reform than states with less popularly known systems, at least as perceived by the budgeters included in this article.

1.10 Comments on the Previous Studies:-

As mentioned previously, there is consensus that Performance based budget becomes a wide management tool, the previous studies examine to which extent performance measurements are available and applicable in the budget preparation, process and evaluation, Also, Can performance measurement serve as indicators to determine the reaching to desire goals? What are the best types of indicators could be preferred?

The studies also discuss the main elements of performance-based budget such as, mission statement, goals, objectives and performance measurements.

Past studies depended on the search in public agencies either from official and agencies staff prospective or the perception of citizen toward government performance indicators like output and outcome.

This study will examine to which extent the main elements of Performance-based budget are applied in health NGOs in Gaza. Also, are managers able to link their resources to what their organization established for? If they are able to measure their progressing toward achieving their mission statement, are they using metric indicators to measure their programs?

1.11 Limitations of Study

The study is limited to Gaza strip health NGOs because of the closure and fully isolation of Gaza Strip, in addition to the inability of researcher to travel to the West Bank and to the rest of Palestinian territories make it impossible to go out the place.

Also, this research focuses on Health NGOs from the manager's perspective, as the questionnaire is addresses only the financial, managerial and technical managers. Subordinate staff was included.

1.12 Research Structure

The research includes the following chapters:

First: Introduction

Second: An Overview of NGOs.

Third: What Is Performance-Based Budgeting?

Fourth: Performance Budgeting: Basic Concepts.

Fifth: Research Methodology.

Sixth: Data Analysis and Discussion.

Seventh: Conclusions, Recommendations and Future Research

Chapter 2

NON-GOVERNMENTAL ORGANIZATIONS

2.1 Introduction

Non-governmental organizations (NGOs) are increasingly becoming an important force, because of claims that they are efficient and effective, because they are innovative, flexible, independent, and responsive to the problems of poor people. The growth of such NGOs over the past two decades has given them an increasingly important role and has led them forming a distinctive sector within civil society. They have been engaged in all sectors of social life, such as relief, rehabilitation, health, education, development programs, peace, human rights, and environmental issues, using finance raised from voluntary, private sources, and donor agencies, and managing themselves autonomously at local, national and international levels.(Bagci, 2007).

For several decades NGOs worked as reinforcement mechanism for afflicted needy and poor people. They have supported the Palestinian society through the occupation period. NGOs have managed to create the bridge that enabled the Palestinian people to cross from one period of occupation to another. yet, Palestinians still suffer from the Israeli practices, Gaza war, siege, and closure of Gaza strip. NGOs have the big role in helping the people after major donors withheld support from the elected government. NGOs contribute in all sectors of Palestinian social life such as development, relief, rehabilitation, health, and emergency.

According to Bisan Center, Health system in Palestine consists of four sectors: Government, Private, Non-Government, and UNRWA (Bisan center, 2006, p43). Non-governmental organization is engaged in health Palestinian system, Bisan center survey indicate that Palestinian NGOs offer the same range of services provided by the Ministry of health excluding immunization(Bisan center,2006, p44).The Palestinian Ministry of Health (MoH) was established in 1994. the Ministry of Health is the primary provider of health services to the population, with about 40% of primary health care, 31% at UNRWA and

29% at private and NGO facilities (Giacaman et al,2003, p61).accordingly Palestinian NGOs is heavily engaged in health system and could form solid basis to Palestine health system.

As mentioned above, NGOs play much more role in assisting the community. This makes it important to understand the meaning of NGOs, types, attributes, and goals; this is what will be clarified in the following sections.

2. 2 NGOs definition

The term NGO is broad and ambiguous. It covers a range of organizations within civil society, from political action groups to sports clubs. Its clear definition still remains contested. However, it can be argued that all NGO's can be regarded as civil society organizations though not all civil society organizations are NGO's. The concept of NGO came into use in 1945 following the establishment of the United Nations Organizations which recognized the need to give a consultative role to organizations which were not classified as government nor member states. NGOs take different forms and play different roles in different continents. The roots of NGOs are different according to the geographical and historical context. They have recently been regarded as part of the "third sector" or not-for-profit organizations. Although there is contestation of the definition of an NGO, it is widely accepted that these are organizations which pursue activities to relieve the suffering, promote interests of the poor, protect the environment, provide basic social services, and undertake community development (Lekorwe, Mpabanga, 2007, p3).

The UN has identified NGO as follows:

Any non-profit, voluntary citizens group that is organized on a local, national and international level. Task oriented and driven by people with a common interest, NGOs perform a variety of service and humanitarian functions, bring citizen concerns to governments,

advocate and monitor policies and encourage political participation through provision of information. Some are organized around the specific issues, such as human rights, environment and health. They provide analysis and expertise serve as early warning mechanisms and help monitor and implement international agreement.

The World Bank defines NGOs as:

“private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services or undertake community development” (Samuel and Thanikachalam,2003, p5)

The Palestinian law defined the NGOs as:

"Any charitable association or community organization with an independent judicial personality, established up on an agreement concluded among no less than seven persons to achieve legitimate objectives of public concern without aiming at attaining financial profits to be shared among the members or achieving any personal benefits" (Bisan Centre, 2006).

In general Non-governmental organization (NGO) is a term that has become widely accepted as referring to a legally entity, non-governmental organization created by natural or legal persons with no participation or representation of any government. In the cases in which NGOs are funded totally or partially by governments, the NGO maintains its non-governmental status and excludes government representatives from membership in the organization.

The growth of NGOs over the past two decades has given them an increasingly important role and has led them to forming a distinctive sector within civil society. Most of the sociologists define NGOs as organizations which possess four defining characteristics which enable them to be distinguished from other organizations in civil society. They are; voluntary, dependent, not-for profit, self-serving.

In this thesis, what meant in the context by an organization or NGOs is that characterized as voluntary, dependent, not-for profit, self-serving.

2.3 Characteristics of NGOs

In distinguishing between non governmental organization and other organization, the main Characteristics and privileges are:- (مرزوق,2002, p61-62).

- 1- They have formal form.
- 2- Non profit organizations in the broadest sense mean that they don't aim the profits.
- 3- Non Governmental, mean that they don't have any formal structure relationship, even they could receive technical and financial or in kind assistance.
- 4- The main idea is the voluntary participation, either from the establishing or activities.
- 5- Non parties don't make alliances with political parties.

In Addition, there are some Characteristics to NGOs (محسن, 2008, p92).

- To utilize the donation, in kind assistance, and time.
- To be fund raising and resources mobilization for poor families and afflicted needy.
- To be governed by governmental fiscal rules.
- Awareness to make the necessarily freedom to the board of director to decide the priorities of the organization.
- The main motivation for the workers in these organizations is the live conscience, as well as the charities and NGOs determined more efficiently and effectively in delivering its service.
- In western NGOs can get a lot of donation from local society whom considers the donation and voluntary work is the richest element for the western economies.
- NGOs are receiving different forms of donation from the government like tax deduction, free fees and free customs as well as supporting from the local society.

2.4 Goals of NGOs

In general there are a lot of NGOs Goals. What determine the Goals of NGOs are the Nature of work and the type and the scale. Here are examples of Goals to small NGOs: (محسن, 2008, p93).

- 1- Protecting and care the poor families through introducing the emergency and financial assistance.
- 2- Job creation through physical and professional rehabilitation.
- 3- Recommendation for Ministry of Health (MOH) to guarantee the insurance and services to unable persons and poor beneficiaries.
- 4- Making professional training and building capacity.
- 5- Making scientific researches and field surveys.

2.5 Types of NGOs

The term NGO is very broad and encompasses many different types of organizations. In the field of development, NGOs range from large to mediate charities such as CARE, Oxfam and World Vision to community-based self-help groups. They also include research institutes, professional associations and lobby groups.

The World Bank define two main categories of NGOs: (World Bank, p2)

- i) **Operational NGOs** - whose primary purpose is the design and implementation of development-related projects.
- ii) **Advocacy NGOs** - whose primary purpose is to defend or promote a specific cause.

The World Bank classifies operational NGOs into three main groups:

- 1- Community-Based Organizations (CBOs): which serve a specific population in a narrow geographic area.
- 2- National Organizations: which operate in individual developing countries.
- 3- International Organizations: which are typically headquartered in developed countries and carry out operations in more than one developing country.

Types of NGOs can be understood too by their level of cooperation. (<http://www.ilmkidunya.com>)

1- Charitable cooperation.

It often involves a paternalistic effort with little participation by beneficiaries. It includes the NGOs which directed the people towards meeting the needs of poor and help them by gaining them food, clothing, medicine; provision of housing etc. such NGOs may also undertake relief activities during natural disaster situation.

2- Service cooperation.

It includes NGOs with activities such as the provision of health, family planning or education services in which the program is designed by the NGOs. And people are expected to participate in its implementation and in receiving the services.

3- Participatory cooperation.

It is characterized by self-help projects where local people are involved particularly in the implementation of a project in any village by contributing ash, tools, land, materials and labor etc. This type is basically cooperation based and on limited scale.

4- Empowering cooperation.

The aim of these NGOs are to help poor people and develop a clear understanding of the social, political and economic factors which are effecting their lives and aware them how can they solve their problem by using their resources and purpose to mobilize the people or self mobilization. In any case there is maximum involvement of the people with NGOs acting as facilitators.

2.6 NGOs comparative advantages

It is often claimed that NGOs have comparative advantages over the government sector in doing certain type of work. Advocates of this position

believe that these comparative advantages are derived from the feature such as: (Edward, Hulme, 1995, p34).

- 1- The way NGOs design their organization.
- 2- Stronger moral commitment to helping the poor.
- 3- Greater professionalism.
- 4- A closer and more participatory working relation with the poor.
- 5- Ability to innovative.

Tredt added some advantages that NGOs or not-for-profit organizations have over governments include some of the following :(Lekorwe, Mpabanga, 2007)

1. Achieving the correct relationship between development processes and outcomes.
2. Reaching the poor and targeting their assistance on chosen groups.
3. Obtaining true meaningful participation of the intended beneficiaries.
4. Working with the people and then choosing the correct form of assistance for them, i.e. not being dominated by resources as the basis for the relationship.
5. Being flexible and responsive to their works.
6. Working with and strengthening local institutions.
7. Achieving outcomes at less cost.

2.7 Weaknesses of NGOs.

The increasingly high profile role of NGOs in responding to national problems has also made them vulnerable to criticisms from different sectors.(Songco et al, 2006, p14).

2.7.1 Impact of aid. The most common accusation against NGOs is that they have become extension of donors. Owing to their effectiveness as service delivery agents, many NGOs are said to have focused on delivering services using donor funds and have become less concerned about their responsibility to articulate national concerns.

2.7.2 Inefficiency. Another common criticism against NGOs is that the funds that they receive are not equilibrium to the services they provide. They are also accused of duplicating government services and of competing with government for donor funds. Many of them are doing the same thing. As well as the concern for the lack of supervision and monitoring of the quality of services delivered. However, they are even by some NGOs themselves.

2.7.3 Competition among NGOs. Growing competition for donor funds among NGOs, particularly between big and small ones. Sometimes there is competition between professional (intermediary) NGOs and some of their beneficiary organizations. The reality is that since the bigger NGOs are more skilled at preparing project proposals and have better reporting systems, they tend to capture the funds to the detriment of small NGOs and community-based groups.

2.7.4 Lack of transparency and accountability. The study on The Role and Performance of Palestinian NGOs in Health, Education and Agriculture by the Bisan Center pointed out that many NGOs are mostly concerned about reporting to their donors but not to the community for which they received funds, nor are they known to publicly declare their income and expenditures. There is a growing sense of corruption in some NGOs an impression that is contributing to a decline in the image of NGOs in general.

2.7.5 Lack of inability to articulate strategic vision. Some stakeholders feel that NGOs are drifting towards a tunnel vision of development with their preoccupation for service delivery and self-survival. Some government officials feel that some NGOs already have a pre-conceived agenda when they go a community, depending on their donor's preferred program. Others feel that NGOs are unable to promote developmental thinking among the grassroots. Still others feel that NGOs are missing out on the opportunity to bring the perspective of the community in influencing government's development policy.

2.8 Evolution of NGOs.

NGOs is a part of civil society, NGOs existed in Palestine before the Ottoman Empire. Among the most common type of civil society organization that

emerged early in the history of modern Palestine is the charitable societies that started their activities at the turn of the 20th Century under a legal framework instituted by Ottoman law. Which the cultural societies and various clubs emerged for the purpose of advocating for public policy issues as well as to gain public support for their goals. These were traditionally based on religious and family affiliations and were led by prominent families.

2.8.1 Jordanian Egyptian Period.

In Jordanian Egyptian age, Political-type NGOs emerged when Palestinians in the West Bank and Gaza Strip established a variety of professional and charitable organizations to present the needs of specific constituencies, complement or oppose the ruler's practices. The leaders of these organizations no longer came from traditional prominent family backgrounds but from a new breed of educated political elite. (Songco et al, 2006, p14)

2.8.2 Occupying 1967 and the first Intifada:

The next generation after occupying the 1967 lands and especially during the first Intifada, NGOs played a crucial role as charitable associations. It reinforce steadfastness of Palestinian people within cater the basic services. NGOs saw these needs independent of the occupier and promoted the steadfastness and resistance.

A host of other civil society groups became part of Palestinian life: popular organizations (women's groups, labor unions, voluntary work movement); development organizations (agriculture and health committees); research, media and human rights organizations; and special interest groups (e.g. for people with disability, elderly, etc.). However, it is the charitable societies that are most numerous, even up to the present time, because they address essential needs of the population. (Songco et al, 2006, p14)

2.8.3 Palestinian National Authority "PNA" Period.

After the establishment of the Palestinian National Authority (PNA), the situation changed dramatically. Some Palestinian NGOs decided to merge their activities into the PNA structure, but most did not and preferred to stay in the third sector (the non profit domain). NGOs, which have supplanted

barely existing government services, redirected themselves to complementing the new public sector by serving those sectors and communities not reached by PNA ministries. Much of the health and education services run by the PNA are inherited from the Israeli Civil Administration. The result, the PNA inherited largely ineffective and handicapped service delivery schemes. This left PNGOs with significant existing capacity in the delivery of the public services. (Nahla, 2008, p40).

2.8.4 Al Aqsa Intifada 2000.

This period witnessed an increasing level of afflicted needy among Palestinians as direct result of Israeli widespread and intensified aggression. PNGOs have once again stepped forward to provide essential services, much as in the first Intifada. The seemingly return of PNGOs to their pre- Oslo roles as the mainstay for many basic services was necessitated by the low ability of the poorly equipped PNA to face the social and economic challenges that arise from the Israeli collective punishment measures over this period. NGOs have also been used by donors to channel in –kind and cash assistance to the poor and to families of those killed, injured or imprisoned by Israeli military action.(Nahla,2008,p40).

Today, Palestine has a thriving civil society. The Palestinian Human Development Report (2004) classifies these organizations into two:

- 1- **Traditional social institutions:** This includes tribes, clans, extended families, urban, rural familial and sectarian networks and religious groups;
- 2- **Modern institutions:** which include political parties, charitable societies, trade unions, professional associations, women’s associations, NGOs, media and advocacy groups and other service-providing organizations. (Songco et al, 2006, p15).

2.9 NGO Accountability

A familiar maxim captures the concept of accountability: Responsibility must be fulfilled, and responsibility must be seen to be fulfilled (Wenar, 2006, p5).

Accountability refers to the obligation a person, group, or organization assumes for the execution of authority and/or the fulfillment of responsibility. This obligation includes: (Handbook, p1, 2001).

- Answering: providing an explanation or justification for the execution of that authority and/or fulfillment of that responsibility.
- Reporting on the results of that execution and/or fulfillment.
- Assuming liability for those results.

Accountability is second-order responsibility. When we say that someone is responsible for something, we mean that it is up to them to take care of it. When we say that someone is accountable for something, we mean that they have an extra responsibility on top of this, a responsibility to be able to show that they have fulfilled their original responsibility. It is up to an accountable agent to be able to show that they have done what it is up to them to do (Wenar, 2006, p5-6).

According to survey has conducted by Bisan center, PNGOs are more concerned with ‘vertical accountability’ to their boards of directors, to the Palestinian authority and to donors than with ‘horizontal accountability’ to their broader constituencies and the communities. The reported rate of dissemination and disclosure of annual and financial reports to General Assembly members, local community groups and partners was very limited. The reported regularity of Board meetings and the range of responsibilities held at that level suggested that PNGO Boards are actively engaged in governing and overseeing the work of their organizations. There seemed to be some ambiguity. (Bisan center, 2006, p9). Applying good governance practices do not only increase NGOs’ sense of social responsibility they also serve to create stronger ties between them and the community. Such a partnership that is based on principles (rather than utilitarian relationship) strengthens the social fabric and promotes socially responsible behavior that

increases citizens' vigilance against corrupt practices among other sectors of society.(Songco et al, 2006, p29).

Accountability always carries with it the possibility of negative evaluation and sanction. Accountable agents who fail to show that they have fulfilled their responsibility may be blamed, and subject to warning, reprimand, dismissal, fines, criminal penalties, withholding of future donations, removal from office, and so on. Accountability also of course carries the possibility of positive evaluation, and so also the possibility of praise, promotion, re-election, and so on.(Wenar,2006,p6)

In Palestine, Internal and external reporting are generally considered important indicators of 'good' governance as they present organizations with the opportunity to report on their activities and achievements, as well as the extent to which they have been able to meet their objectives. Financial reporting is critical for ensuring that funds are not being mismanaged, and for providing stakeholders with assurances that funds are being used for the purposes intended. In the absence of any voluntary standards for PNGO reporting, the only reporting requirements placed on PNGOs are those of the PA and donors. According to the Law, all PNGOs are required to produce and submit annual activity and financial audit reports to the Ministry of Interior "MoI".

Chapter 3

PBB DEFINITION, PUBLIC BUDGETING AND ADOPTING.

3.1 What Is Performance-Based Budgeting?

For decades, there has been increasing emphasis on improving budgeting process across developed and developing countries. Performance-based budgeting is the last reform in public budgeting that pursues to connect the inputs with desired results.

Although, there is no single definition of performance-based budgeting (PBB), it is normally known as results based or program budgeting (Hepburn et al, p1, 2007). Organizations have defined the terminology in different ways. The National Conference of State Legislatures, for example, defines PBB in the following way:

Performance budgets use statements of missions, goals and objectives to explain why the money is being spent.... [It is a way to allocate] resources to achieve specific objectives based on program goals and measured results. ...Performance budgeting differs from traditional approaches because it focuses on spending results rather than the money spent—on what the money buys rather than the amount that is made available. (Young, 2003, p12).

On the other hand, The Reason Public Policy Institute (RPPI) defines performance-based budget (PBB) as:

Performance budgeting is an exercise that “costs out” various activities that attempt to achieve an end outcome. It enables the correlation of results to expenditures. There are three components of performance budgeting: the result (end outcome), the strategy (ways to achieve the end outcome), and activity/outputs (what is actually done in order to achieve the end outcome). Performance budgeting establishes a link between the rationales for specific activities and the end outcome results. Note that the result is not costed out, but individual activities or outputs are. This information enables

policymakers to determine what activities are cost-effective in reaching their end outcome (Segal and Summers, 2002, p4).

Secretary General of the United Nations define the Results-based budget (RBB) is a results-driven budgeting process in which : (Kumar, no date, p1).

- Program formulation and resources justification involve a set of predefined objectives, expected results, outputs, inputs and performance indicators which constitute a ‘logical framework’.
- Expected results justify resource requirements, which are derived from - and linked to - outputs to be delivered, with a view to achieving such results.
- Actual performance in achieving results is measured by predefined performance indicators.

Finally Anwar Shah and Chunli Shen define PBB as:

Performance budgeting is a system of budgeting that presents the purpose and objectives for which funds are required, the costs of proposed programs and associated activities for achieving those objectives, and outputs to be produced or services to be rendered under each program. A comprehensive performance budgeting system quantifies the entire results-based chain as inputs/intermediate inputs (resources to produce outputs), outputs (quantity and quality of goods and services produced), outcomes (progress in achieving program objectives), impacts (program goals), and reach (people who benefit from or are hurt by a program) (Shen and Shah, 2007, p154).

All definitions emphasize the importance of existing missions, goals, objectives that will determine the propose of fund, and the necessarily to determine inputs, outputs, outcome as well as some indicators or measurements show the state of program and if it going to achieve the predefined objective or will be misleading .

Most experts agree that in the broadest sense of the term, “PBB is the allocation of funds to achieve programmatic goals and objectives as well as some indication or measurement of work, efficiency, and/or effectiveness. (Young, 2003, p12)

According to the definitions there is no single definition of PBB, Generally, Performance-based budgeting (PBB) is budgeting that related funding to expected results. PBB is often referred to as managing for results. It is a process that relies heavily on strategic and operational planning, and performance accountability to build budgets.

3.2 Definitions of PBB Terms

In order to achieve the performance system, several types of indicators should be involved, and in the absence of a single or unique unit to de overriding metric such as earnings or shareholder value, governments and citizens need to look at the different types of data to get the total picture.

Office of strategic business management identifies several types of performance indicators that are often used in performance measurement systems. The most important types of measures are :-(Office of Strategic Business Management, 2004, p16-20)

3.2.1 Input/Resource Measures. Input measures report resources consumed or used by a program e.g., dollars spent, number of employees, employee hours. Input measures have also been used to express the level of need or demand for a particular service, such as the number of students enrolled in a work-training program. Although such information is useful, it reflects service demand rather than performance.

3.2.2 Output/Workload Indicators. Output measures identify how much work was performed or how many units of service were provided. Typical output measures include the number of applications processed, the number of emergency units dispatched, and the tons of garbage collected. Comparison of current output with output from previous periods can reveal variations or stability in work activity. Output measures have also been called workload or product measures for example:-

- Number of counseling sessions provided
- Number of road miles paved
- Number of building inspections made

Output measures tell how much was done, they do not reveal how efficiently or how well it was done. Output measures are necessary to compute efficiency measures.

3.2.3 Efficiency Measures: Efficiency measures relate the amount of work performed to the amount of resources consumed in doing it-typically stated in dollars or labor-hours. Often expressed as unit costs such as “costs per application processed” or “cost per lane-mile paved,” efficiency measures can also take the form of units produced per \$1,000, units produced per labor-hour, or labor-hours per unit. Still other forms of efficiency measures report labor or equipment production time as a percentage of full utilization or compare actual production rates to an efficiency standard. Although efficiency measures are important in gauging whether or not you are using the resources wisely, we should be careful not to focus on efficiency to the exclusion of effectiveness. Some examples of efficiency measures are:

- Personnel hours per crime solved.
- Operating cost per bus system mile.
- Cost per ton of garbage collected.

Efficiency measures are likely to be more useful as an internal gauge of wise resource use over time. Often such measures show that indeed government is doing more with less, especially when adjusted for the effects of inflation.

3.2.4 Outcome/Results/Effectiveness/Quality Measures: Outcome measures focus on program results, effectiveness and service quality, assessing the impact of agency actions on customers, whether individual clients or whole communities. Outcome measures relate to why you are in business, the mission, goal and purpose of your operation. These are the most important measures in managing for results. These are the measures that the public, elected officials and senior management are most concerned about here are some examples:

- Reduction in the incidence of fire-related deaths.
- Percentage of students increasing earning capacity following graduation from adult.

Because some program results may take several years or longer to accomplish, many governments choose to measure “intermediate” as well as “final” outcomes.

3.2.5 Process Measures: Process measures reflect the aspects of producing the service or product. These aspects are the related tasks of an activity that leads to a specific product or service delivery. It is here the speed and quality of service delivery and the way of production. Processes include things such as procurement, requisitions, work orders, hiring, licensing, budgeting, marketing, and other systems of tasks that result in an end product or service. These measures are briefly defined as:

- Process cost: the total cost of all the activities in a process.
- Unit cost of process outputs: the cross-functional cost of producing a tangible output.
- First pass yield: The percentage of products or work that makes it through the process without being reworked, revised or sent back to be corrected or done over.
- Cost of rework: The cost of not doing it right the first time.
- Process cycle time: the total length of time spent in generating an output expressed in minutes, days, weeks or months.
- Actual cycle time: the length of time spent in generating an output with no waiting or rework.
- Touch points: The number of times an item is handed off (touched) within a process.

Process measures seem particularly relevant to support functions and support departments, those that provide services to other departments, Sometimes the process measure may be in fact an outcome measure for a specific function of a department or division. Here are several examples of process measures:

- Length of time from initial complaint to inspection
- Emergency response time (often used as an outcome measure for police and fire)
- Total cost of a new hire.
- Number of times a work order is “touched” from initiation to completion of the work

- Cost of non-value added work (rework)
- Length of time to purchase specific products or services

3.2.6 Productivity Measures as the brief guide for performance measurement in local government define productivity indicators as combining the dimensions of efficiency and outcome in a single indicator. For instance, whereas "meters repaired per labor hour" reflects efficiency, and "percentage of meters repaired properly" (e.g., not returned for further repair within 6 months) reflects effectiveness, "unit costs (or labor-hours) per effective meter repair" reflects productivity. The costs (or labor-hours) of faulty meter repairs as well as the costs of effective repairs are included in the numerator of such a calculation, but only good repairs are counted in the denominator-thereby encouraging efficiency and effectiveness of and by meter repair personnel.(Brief Guide, No Date,p4).

3.3 Criteria for good performance indicators

In their instruction for developing the results-based budgeting requirements for the 2009-2011 biennial budget, North Carolina Described the Good performance measures should be: (North Carolina,2007,p25-26).

- 1. Clear:** The measures should be readily understood. They should be as simple as possible.
- 2. Cost effective:** The data associated with performance measures should be worth collecting as a management tool.
- 3. Relevant and significant:** The performance measures should be logically related to the expected results listed for the service statements and should be central to accomplishment of those results.
- 4. Consistent:** The measures should be consistent over time so that the data presented are easy to compare from year to year.
- 5. Practical:** Performance measures should be managerially useful.

6. **Verifiable:** Data for performance indicators should be accurate, on file, and auditable.
7. **Honest:** Performance measure data should be reported from year to year even if the data show a disappointing trend or reveal mediocre to poor performance.
8. **Linked to funding:** Performance measures should be linked to a budgeted fund. Outcomes may differ with funding levels.
9. **Results based:** Agencies should emphasize outcome measures whenever feasible. If desirable, they include other types of measures. The focus is on ends more than means, even though means are important too.

3.4 Public Budgeting history

Although we talk about NGOs and the budgeting process, the same technique has been used in Government sector and NGOs and even there is some interaction between the private or profit sector and government sector, In General, NGOs depend on recourse allocation through donation, member contribution, voluntary work and in kind assistance, In contrast government depend on natural resources, taxes, costumes and even donation from the developed countries. The budget process through NGOs and Government are the same, this search will study the budgeting history across government and international aid organization.

In the past two decades, the industrial countries have witnessed a growing interest in performance management and budgeting. In response to louder public demands for government accountability. These reforms are intended to transform public budgeting systems from control of inputs to a focus on outputs or outcomes, in the interest of improving operational efficiency and promoting results-oriented accountability. These experiences have significant relevance for public sector reforms in developing countries. (Shah, 2007, p137).

The budgeting is not only about planning for inputs, but also, planning for the results that governments want to achieve. The developments of program budgeting can be traced back to the introduction of program budgeting in the United States in the 1940s. More results-oriented budgeting techniques were developed in iterative processes that benefited from the US government and other countries mistakes. Although a lot of the early development occurred in industrial countries, the transfer of programming budgeting to the United Kingdom in the 1970s, New Zealand's output focus in the 1980s, Sweden's system of management by objectives, the use of results-oriented budgeting by the United Nations as a precondition for aid assistance triggered its quick spread to the developing world. There are several variants of introducing a focus on the results of spending into budgeting practices, and they are often grouped together as a movement under the term program budgeting. (Shah, 2007, p115).

The wave began to spread within the developed and developing countries across the world, interesting in program budgeting moved from United States to united nation, focusing on output and outcome or the achievements of the organization rather than spending the money.

In the 1950s, some of the specialized agencies, such as the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the Food and Agriculture Organization of the United Nations (FAO), adopted the budgeting methodology by program. (Mizutani,2002, p1).

In trial of United Nations to define the program and performance budgeting, in 1965s, United Nations published A Manual for programs and Performance Budgeting and defined it as “the purposes and objectives for which funds are requested, the costs of the programs proposed for achieving those objectives and quantitative data measuring the accomplishment and work performed under each programs.” (Rose, 2003, p7).

The early definition for the program budgeting focus on the results, identifying the purpose of funds, and quantitative data for insuring the progress of the program toward achieving the results, afterward the definition

come to make further explanation, Dean with Pugh define performance budgeting as (Rose,2003,p7):

- Programming or the subdivision of the government budget for information purposes into programs and activities representing identifiable units with similar aims or operations.
- Identifying the operational aims of each programs and activity for the budget year.
- Budgeting and accounting so that the separate costs and revenues of each programs are shown.
- Measuring the outputs and performance of activities so that these can be related to their cost, and to operational aims.
- Using the resultant data to establish standards and norms so that costs and performance can be evaluated and government resources used more efficiently.

The shift from input budgeting to result-oriented budget made confusion in defining different initiatives, for several decades small set of terms has been used to describe different initiatives. In some cases, similar terms are described by different words. Whereas, the same words are used to name systems obviously differ. Otherwise, these terms may cause confusion. The table below quoted from (Rose, 2003, p17-18), briefly identifies the different terms and indicates where terms were first used.

Table 3.1 Budgeting approaches Definitions

Approach	Definition
program budgeting	Early approach which involved the identification of programs with operational aims with costs and revenues attached to programs.
Output budgeting	Term used to describe the budgetary approach used in UK central government around 1970. Broadly similar to performance budgeting

Table 3.1 continue
Budgeting approaches Definitions

Program, Planning and Budgeting Systems (PPBS)	Widely adopted under the Johnson administration in the US. Emphasized the analysis of policy options to achieve long term objectives which then defined agencies programs to produce outputs in line with defined long term objectives Formally discontinued in the US in 1971.
Management Objectives (MbO) by	Successor to PPBS. Linked agencies objectives to budget requests. Introduced management responsibility for achieving outputs and outcomes, introduced the link between spending and the
Performance budgeting	Refers to the linking of expected results to budgets. Developed out of program budgeting with an emphasis on measuring outputs and performance with

Source: Rose, Adian, "developments in results oriented budgeting", 2003.

As quoted in the table rose counts the different terms which have been used for several decades and in some cases developed to reach the final appearance of new public management. On the other hand, jack diamond drew map road to performance-based budget from the origin to the new performance budgeting form, According to diamond, the road to the new performance budgeting as it in the figure below:-

FIGURE 3.1 The Road To The New Performance Budgeting

Planning, Programming and budgeting system (PPBSs)

Elements

- Identification and examination of goals and objectives in each major area of government activity.
- Analysis of the output of a given program in term of objectives.
- The measurements of total program cost, not just for current year but several years ahead.
- The formulation of multi-year expenditure programs.
- The analysis of alternatives to find the most efficient and effective means of attaining program objectives.
- The establishment of these procedures as a systematic part of the budget review process.

Program budgeting

Elements

- Group organizational units within common function and sub function.
- Identify costs of a function and sub function.
- Given these costs, decide what that units output should be.

Program budgeting leaves the PPBSs higher level strategic planning functions out of the budget process. It entails an interactive process refining cost assignment and output definition.

Output budgeting

Elements:

- Group together all costs of achieving a particular output, regardless of the number of Agencies involved in producing it.
- Emphasize on full costing, including overhead assignment.
- Define output in measurement indicators and to assess the quality of goods and services delivered, analogous to what is done in the private sector.
- Compare with actual output to gauge efficiency and effectiveness.

New performance budgeting

Elements:

Contain all elements of output budgeting.

- Incorporates explicit performance measures and systems of performance assessment.
- Also include higher-level accountability with associated reward and sanctions.

Source: Diamond, Jack, from program to performance budgeting, 2003.

2.5 Budgeting Systems

This search will show clearly some budgeting systems that have been used for several decades and the researcher will briefly identify it.

2.5.1 Planning–Programming–Budgeting System “PPBS”.

Planning–programming–budgeting system often referred to as PPBS, In PPBS, the activities of the organization are grouped into programs with common objectives to be considered together, with an emphasis on the planning process.(Rodney andToalson,1985,p292), while Barber identifies the planning, programming and budgeting approach as :-

- a) The identification of objectives of area of government activity.
- b) The identification of activities contributing to such objectives.
- c) The measurement of the costs of resources devoted to those activities.
- d) The assessment of the results of the various activities.

According to Barber, the object of the approach is to increase the rationality of the government, and the difference in accounting terms between this approach and traditional expenditure planning that it relates expenditure to output and objectives, not to input or to recourses used by an organization (Barber, 1983, p204-205).

The PPBS as a complete system in budgeting was adopted in the first time in U.S. department of defense 1961. Later, it was applied by all agencies and then spread around the world by some countries.

In 1965, the President of United States, Johnson, requested from all federal agencies to apply the PPBS approach to the budget process. All Agencies were asked to identify their objectives and different routes of achieving the objectives. The different methods were then costed and submitted to systematic comparison of their efficiency and effectiveness. Three years later, Johnson canceled the order, because agencies continue in budgeting as previously and some of them did not submit planning agenda and analysis to government.

By 1971, the system was largely abandoned, every agency had to develop its own version of the PPBs and the directors appreciated the value of the system

but they were reluctant to undertake such work. In contrast, the legislators did not make commitment, and they instead insisted on traditional approach of budgeting. In addition, it was practical problem never fully resolved, of program definition, of how to develop a program or subprogram around each objective, of how to allocate costs to it, and finally the entire system was probably not useful in dealing with large segments of government expenditure. (Diamond, Jack, 2003, p7)

2.5.2 Zero-Base Budgeting.

In 1970, the government of United States under Carter administration made more rational budgeting which called Zero-Base Budgeting, In Zero-Base Budgeting, all activities and all programs were evaluated annually from scratch, so there is no consideration about the past. Weak programs were dropped, and new ones were added. Peter pyhrr identify the approach as:

An operating, planning and budgeting process which require each manager to justify his entire budget request in detail from scratch and shifts the burden of proof to each manager to justify why he should spend any money at all, this approach require that all activities identified in “decision packages” which will be evaluated by systematic analysis and ranked in order of importance. (Rodney and Toalson, 1985, p292).

Folscher argue that the approach can drop programs that are no longer required, in practice it is impossible to implement for reason: (Shah, 2007, p123).

- 1- Like the PPBS approach, it generates masses of paperwork for which there is neither time nor human capacity in budgeting systems.
- 2- It is not necessarily true that lower-priority programs will receive less funding or be discontinued the approach fails to take into account the realities of institutional and public politics that drive budgets.
- 3- Legislation persons are ready to evaluate all programs annually; especially some programs involve multiyear contractual relationships with service providers.

Nevertheless, PPBs and zero-based budgeting were attempted to make public budgeting rational, comprehensive, but the first emphasis on cost-benefit analyses while the second was more concerned with workload measurements. Public budgeting failed because, as Nobel Prize winner Herbert A. Simon has argued since the early 1950s, there are cognitive limits to decision maker's ability to consider all possible options. These limits force them to consider alternatives selectively, and even then they choose on ideological or political grounds. Like the PPBS system, zero-based budgeting was also left behind as a budgeting technique.

2.5.3 Management by Objectives “MBO”.

MbO Involves the establishment of the Organization Objectives and the measurements of performance against such objectives, the advantages of formally setting out objectives are as follow: (Barber, 1983, p205).

- a) The risks of misunderstanding and of perusing non –relevant ends are avoided.
- b) They are based on forecasting and consequently lessen the chances of future deviation from the over all objectives of the organization.
- c) They provide criteria for assessing overall performance.

MbO was a transplant from the private sector to government of Nixon in the 1970s. Individuals are rewarded for achieving their objectives. MbO kept looking at objective without focus on the performance of the organization.

US academic Peters identify two major problems. First, that activities may not be sufficiently related to the ends that governments wish to achieve, second, that reward and human resource systems may have been insufficiently flexible to reward performance appropriately (Rose,2004, p2).

Osborne and Gaebler added that MbO is the least effective approach as objectives “rarely have anything to do with the organization’s key results: the quantity, quality and cost of its services, The system, according to Osborne and Gaebler, become subjective, involve favoritism, artificially low objectives, “gaming the numbers” and internal conflict and departmentalism. They argue for measuring service quantity, cost and quality, including customer satisfaction surveys, and rewarding group rather than individual performance. They claim that “Management by Results” is more effective than “Management by Objectives”. Management by Results can be improved through the use of techniques such as Total Quality Management and Budgeting for Results. Budgeting for results could be mission driven budgeting, output budgeting, outcome budgeting or customer driven budgeting. (Rose, 2003, p6).

Philip joyce 1999 analyze the failure of past budgetary reform such as PPBs, ZBB, MbO according to joyce there are several cases of past failure :(Soon Kim, Sun Kang, 2003, p262)

- 1- Those budgeting systems had difficult time overcoming opposition from those who had a vested interest in maintaining the status as it.
- 2- In each case there were disagreement compromised the ability to develop measures of progress toward these goals and objectives.
- 3- Each of the systems had an almost overwhelming need for data.

2.6 Performance Measurement Adoption

The Government Performance and Results Act (GPRA) is the latest in a series of attempts to introduce performance-based management and budgeting techniques in the United States. In the past, these attempts largely failed due to administrative complexities, lack of investment in managerial, accounting, and information systems, and the absence of institutional incentives to promote gains in economic efficiency. (Mcnab and Melese, 2001, p73).

In 1993 the government of united states released an act which may be cited as "Government Performance and Results Act of 1993"(GPRA), the act require

an annual performance plan from federal agencies, develop five-year strategic plans and shall be updated and revised at least every three years, and generate annual performance reports that review the agency's success in achieving its performance goals. Before the actual implementation of GRPA the Office of Management and Budget in United States provide the act with a series of pilot projects so the agencies could gain experience, and to learn lessons before government-wide implementation began in 1997. (Government Performance and Results Act of 1993).

The GRPA was further reinforced through oversight by the General Accounting Office (GAO) and Congressional committee staff. Despite these reinforcements, additional effort is needed to clearly describe the relationship between performance expectations, requested funding and consumed resources.(Harrison,2003,p3)

In April 1994, following the efforts of GASB in ensuring the implementation of Performance Based Budgeting, GASB has been developed performance measurement and reporting standards, GASB published concept statement number 2, Service Efforts and Accomplishments (SEA), which state the financial and non financial information measurements that will be essential for decision maker. To assess a government entity's performance, the users of financial report need information about the relationship between the use of resources, outputs and outcomes. Including SEA information in general purpose, external financial reports will help report users assess government performance more fully.(GASB issues concepts statement on service efforts and accomplishments).

For several years, GASB, with assistance from the Alfred P. Sloan Foundation, had undertaken a multi-year effort that it hopes will lead to generally accepted standards for performance reporting, and potentially a requirement that all governments include results data in their annual financial plans. In December 2006, the GASB staff reported the results of the final phase of the research project. The research indicates that users of governmental financial statements view SEA reporting as an important initiative and generally support the GASB's continuing involvement. After the results of research project GASB updated Concepts Statement No. 2, Service

Efforts and Accomplishments Reporting, to reflect what has been learned since 1994 from the research of the GASB and others, and to consider the development of suggested guidelines for governments that choose to voluntarily report on their SEA performance.

In April 2008, the GASB proposed updates to Concepts Statement 2 that would make it clear that it is not the GASB's role to:

- Develop the goals and objectives of state and local government services.
- Develop specific nonfinancial measures or indicators of service performance.
- Set targets or benchmarks Or service performance.

The agencies in USA have been committed to the new act, and began to implement and use the new act, Melkers and Willoughby indicated in their study that all states have some mandatory performance information reporting system in place, but the usefulness of the information reported for decision making appears to be limited. Forty-seven out of 50 states have a formal performance budgeting requirement (Kelly,2008,p85), in 2002 Willoughby published new study about the adaptation of performance measurement and its use in state and local governments, she found that Strong majorities of state and local officials indicate performance measurement use in 50 percent to all of their departments.(Willoughby,2002).

Chapter 4

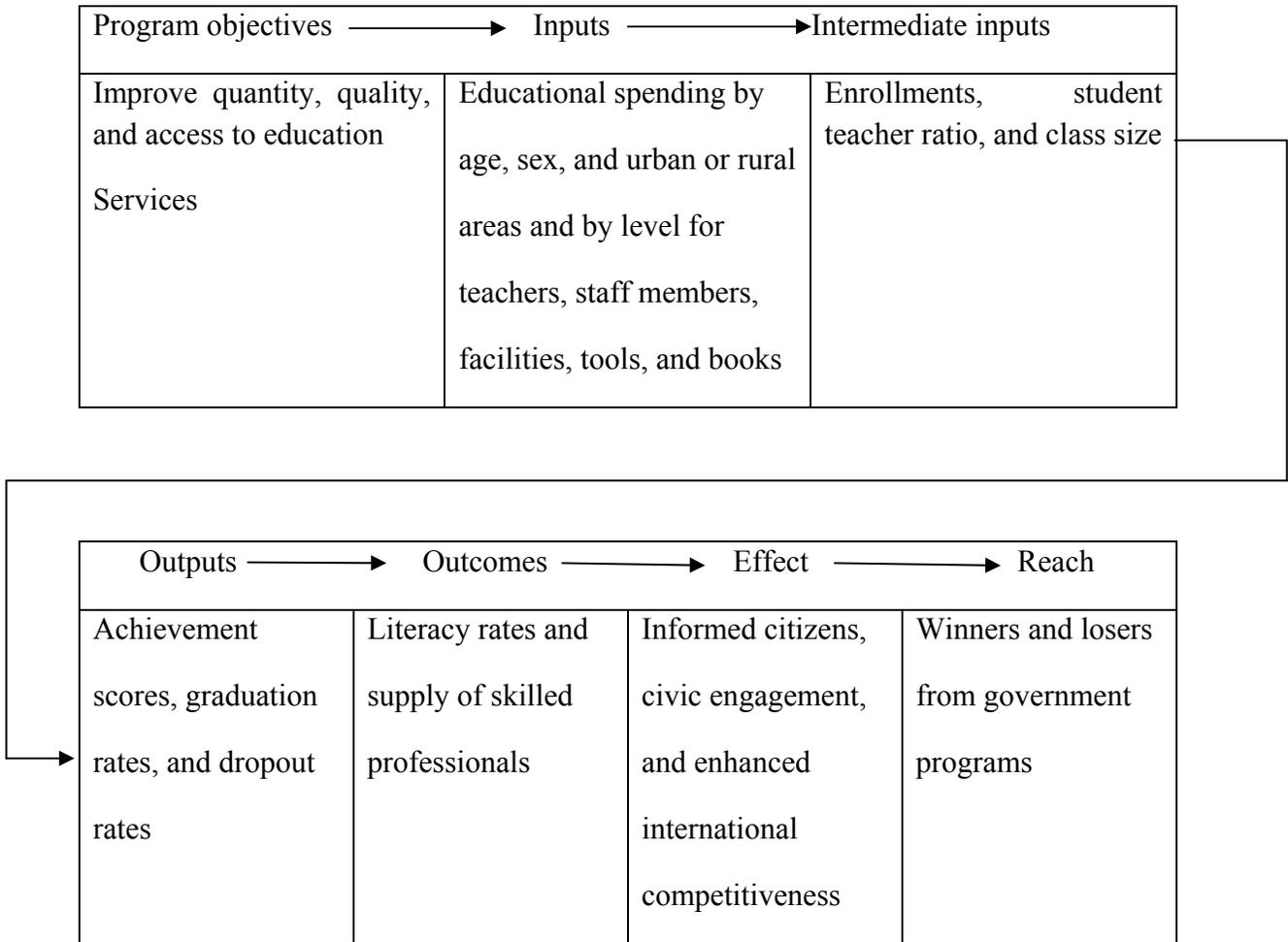
BASIC CONCEPTS FOR PERFORMANCE BUDGETING

4.1 Performance Budgeting: Basic Concepts

What are the main elements of performance-based budget? How can the system be improved in a simple way. Anwar Shah and Chunli Shen identify Performance budgeting as a system of budgeting that presents the purpose and objectives, for which funds are required, the costs of proposed programs and associated activities for achieving those objectives, and outputs to be produced or services to be rendered under each program. A comprehensive performance budgeting system quantifies the entire results-based chain as inputs/intermediate inputs (resources to produce outputs), outputs (quantity and quality of goods and services produced), outcomes (progress in achieving program objectives), impacts (program goals), and reach (people who benefit from or are hurt by a program). (Shah and Shen, 2007, p154).the main component of the system is:-

Program objectives, Inputs, Intermediate inputs, Outputs, Outcomes, Effect and Reach, Shah and Shen drew the system which clarified the chain of main component and made example for education program:

FIGURE 4.1 Performance Budgeting Results Chain



Source: Shah and Shen, 2007, p154.

While Nilsen et al. gone beyond Shah and Shen to make comprehensive and even more detailed framework that includes: (Nilsen et al., 1999, p3)

1. Vision or Mission statement: of a preferred future giving purpose for an organization's existence.
2. Goals: results toward which an endeavor is directed.
3. Objectives: specific deliverables to be produced in pursuing a goal.
4. Measures: quantitative or qualitative indicators used to assess performance or progress towards an objective. Types of measures include:

- Input: Resources used to produce services. Example: Number of employees.
- Output: Counts the goods and services produced by an agency. Example: number of clients served or the number of investigations completed.
- Outcome: Measures the actual impact, result, or public benefit of an agency's actions. Example: percent of clients rehabilitated.
- Efficiency: Measures the unit cost of a given outcome or output. Example: average cost per client served or average time to respond to a call.
- Quality: Measures effectiveness in meeting expectations of constituents and clients. Example: Customer satisfaction survey of service provided.
- Explanatory: Defines agency's environment and explains relevant factors in interpreting other agency measures.

Although there are some differences between the authors to establish unique framework but there are basic concepts that lead to the same goal in budgeting reform within developed and developing countries.

In comparison with traditional line-item budget, the performance-based budget doesn't focus on input like line-item budget but it focuses primarily on results and shifts the discussion from item to the broadest sense, the objectives and achievements of programs and how the organization endeavor to achieve their goals.

NGOs normally have been established to deliver services to local community, These services are highly visible, and its delivery is easy to measure, making the implementation of performance based budget is easy, it will serve both sides, the internal management and the donors, and even it will form unique base to measure the whole services presented by NGOs and government in Gaza strip, In addition, it will establish new principles to assess the accountability within NGOs.

According to Shen and Shah, performance budgeting applies lump sum allocations for programs instead of detailed line item classification. It emphasizes program objectives, which help citizens understand program costs and benefits. It relies on measurement, evaluation, and performance reporting.

The next are examples of Budgeting systems that are used for several decades in Governments and NGOs:-

Table 4.1 Line-Item Budget

(Thousands of U.S. dollars)

ARD EL-INSAN PALESTINIAN BENEVOLENT ASSOCIATION - GAZA - PSYCHOLOGICAL SUPPORT PROJECT			
Budget Sheet for the year 2008			
Consolidated Currency USD			EXPENSES-
100	STAFF SALARIES AND EXPENSES		
	10	Base Salaries	36,384.00
	10	Health Insurance (personal coverage)	1,100.00
	10	Staff Training Expenses	0.00
	10	Recruitment Expenses	85.00
	10	Social Expenses (Parties & Social	75.00
	SUB TOTAL 100		37,644.00
200	ADMINISTRATIVE EXPENSES		
	20	Hospitality Expenses	600.00
	20	Small value items Expenses	250.00
	20	Postages and Parcels	500.00
	20	Photocopies and Stationary Expenses	600.00
	20	Telecommunications	500.00
	20	Workshops Expenses	450.00
	20	Leaflets and Brochures	550.00
	20	Advertisement expenses	200.00
	20	External independent Auditing Fees	500.00
	21	Other Administrative Expenses	120.00
	SUB TOTAL 200		4,270.00
400	TRANSPORTATION EXPENSES		
	40	Vehicles Fuel Expenses	2,400.00
	40	Vehicles Maintenance and Repair	1,050.00
	40	Vehicles Insurance and License Charges	750.00
	40	Purchase of 2-4 Wheels Vehicles	400.00
	40	Vehicles spare parts Expenses	500.00
	SUB TOTAL 400		5,100.00
600	DIRECT BENEFICIARIES EXPENSES		
	60	Travel Expenses for Beneficiaries	1,600.00
	60	Education Materials Printing	500.00
	60	Personal Hygiene	150.00
	60	Pens, Toys, Games , and Presents	850.00
	60	Beneficiaries Refreshment	1,500.00
	60	Patients File Expenses	750.00
	60	Assistant for children's	2,600.00
	60	Medications	400.00
	60	Other beneficiaries Expenses	250.00
	SUB TOTAL 600		8,600.00
	GRAND TOTAL BUDGET		55,614.00

Source: Adapted from Ard el Insan budget, 2008.

Table 4.2 Program Budget*(Thousands of U.S. dollars)*

Program	FY2004/05 Actual	FY2005/06 Adopted	FY2005/06 Revised	FY2006/07 Projected	FY2006/07 Adopted
Custody management	104,770	128,156	139,790	133,769	144,025
Centralized operations	12,799	15,561	16,367	14,352	17,566
Enforcement	53,446	57,694	61,506	63,841	70,664
Building operations and maintenance	1,761	—	760	—	2,040
Administrative services	17,557	19,750	20,175	18,521	13,902
General government	—	—	—	—	8,619
Total programs	190,333	221,161	238,598	230,483	256,816

Source: Adapted from Maricopa County, Arizona 2006

4.2 Budget Process under Performance Budgeting

Performance measurement plays an important role in the budgeting cycle. In budget preparation, budgeters can include performance indicators in budget instructions to demonstrate desirable performance levels, individual service agencies can use these indicators to demonstrate their past achievements and assist their budget estimates and requests, (Shen and Shah, 2007, p158). In budget preparation, the performance information can assist the budgetary to prepare the budget. NGOs can use the performance information to justify budget request, and the management can use it to determine the expected service quantity, quality and cost service. Furthermore, performance information can foster the relationship between donors and the managements of NGOs where the performance information reinforces the credibility and accountability of the management.

On other hand, management can use performance indicator to express their achievements and at which point the program has reached toward the goal. In addition, performance indicators can detect the operational insufficiency.

When systemically performance information is available over time, the organization can compare its performance along with time or with other organization which has been working in the same field, and will help the managers to express the efficiency and the effectiveness of their programs.

4.3 Performance Measurement and reporting.

An effective performance budgeting system depends on reliable performance measure and reporting. Performance budgeting system requires measure for gauging the program from variety viewpoints, such as input, output, outcome, efficiency, service quality, effectiveness and the impact on people. In fact, there are a lot measures, but what is very important for the managers is the results, the results are the basic engine to managers to reach and achieve the

goals, so the managers should keep their eyes on results and monitor results-based chain to manage the program effectively.

Table 4.3 Performance-based Budget

Funding					
	FY 2007	FY 2008	FY 2008	FY 2009	FY 2009
		Adopted	Revised	Advertised	Adopted
Category	Actual	Budget Plan	Budget Plan	Budget Plan	Budget Plan
Authorized Positions/Staff Years					
Regular	96/ 96	96/ 96	96/ 96	95/ 95	95/ 95
Total Expenditures	\$6,809,728	\$7,774,740	\$7,938,709	\$7,560,163	\$7,621,685
2 Public Health Doctors		1 Eligibility Supervisor		3 Administrative Assistants V	
1 Asst. Director for Medical Services		1 Rehab. Services Manager		2 Administrative Assistants IV	
1 Asst. Director of Patient Care Services		1 Physical Therapist II		4 Administrative Assistants III	
4 Public Health Nurses IV		5 Speech Pathologists II		1/3 Administrative Assistants II	
8 Public Health Nurses III		2 Audiologists II		6 Human Service Workers II	
40 Public Health Nurses II				1 Human Services Assistant	

Source: Fairfax County, Virginia, 2009.

Key Performance Measures

Goal

To provide maternity, infant and child health care emphasizing preventative services to achieve optimum health and well-being.

Objectives

- ◆ To improve the immunization rate of children served by the Health Department to 80 percent, toward the Healthy People 2010 goal of 90 percent.
- ◆ To maintain the low birth weight rate for all Health Department clients at 4.8 percent or below.

- ◆ To ensure that 75 percent of Speech Language Pathology clients will be discharged as corrected with no further follow-up required.

Table 4.3 Continue
Performance-based Budget

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Actual	Actual	Estimate/Actual		
Output:					
Immunizations: Children seen	20,592	21,920	25,000 / 20,946	22,000	22,000
Immunizations: Vaccines given	32,644	39,762	45,000 / 44,775	45,000	45,000
Maternity: Pregnant women served	2,328	2,621	2,600 / 2,653	2,700	2,700
Speech Language: Client visits	3,212	2,751	3,400 / 2,502	2,700	3,000
Efficiency:					
Immunizations: Cost per visit	\$20	\$21	\$20 / \$23	\$19	\$20
Immunizations: Cost per visit to County	\$15	\$18	\$16 / \$17	\$13	\$14
Immunizations: Cost per vaccine administered	\$12	\$12	\$11 / \$11	\$10	\$11
Immunizations: Cost to County per vaccine administered	\$9	\$10	\$9 / \$8	\$7	\$8
Maternity: Cost per client served	\$576	\$527	\$517 / \$505	\$459	\$481
Maternity: Cost per client to the County	\$264	\$237	\$227 / \$369	\$332	\$353
Speech Language: Net cost per visit	\$153	\$172	\$144 / \$197	\$191	\$245

Table 4.3 Continue
Performance-based Budget

Service Quality:					
Immunizations: Percent satisfied					
with service	98%	98%	97% / 97%	97%	97%
Maternity: Percent satisfied with					
service	98%	97%	97% / 97%	97%	97%
Speech Language: Percent of survey families who rate their therapy service as good or					
excellent	100%	100%	100% / 100%	100%	100%
Outcome:					
Immunizations: 2 year old					
completion rate	77%	78%	80% / 77%	80%	80%
Maternity: Overall low birth					
weight rate	4.5%	4.7%	4.8% / 4.6%	4.8%	4.8%
Speech Language: Percent of students discharged as					
corrected; no follow-up needed	75%	73%	77% / 82%	75%	75%

Source: Fairfax County, Virginia, 2009.

Performance Measurement results:-

Immunizations: The number of visits and the number of vaccines given in FY 2007 were lower than projected, but higher than FY 2006 actuals. The higher FY 2007 actual compared to FY 2006 was due to several factors: the Health Department began offering several new vaccines in FY 2007; unlike previous years, there was no vaccine shortage; overall there was increased availability of some vaccines; and there were a number of new school immunization requirements. These new requirements are also the reason for the increase in the projected number of visits and vaccines in FY 2008 and FY 2009 over the

FY 2007 actual. Costs per immunization visit is slightly higher than anticipated due to continued costs for telecommunications, postage, document translation and the use of tele-interpreters that were much higher than projected. While the immunization completion rate is lower than projected, the survey tool used has an accuracy rate of + or -3 percentage points which means the completion rate could be as high as 80 percent. Additionally, the compliance criterion changed and now includes the Varicella vaccine which is sometimes difficult to track if the child had the disease rather than the vaccination. The school minimum entrance requirement also indicates a child must have at least 3 DPT shots as long as one is after the fourth birthday, however, compliance reviews require the 4th DPT for completion. This disparity impacts the completion rates as some parents decline the 4th DPT if the child has met the minimum school entrance requirement. The Center for Disease Contract information states that for every dollar spent on immunizations, ten dollars is saved in future medical costs and the indirect cost of work loss (parent), death and disability. In FY 2006, the total cost to the County for immunizations was \$489,932 resulting in a potential savings of \$4,899,320 in future medical and indirect costs according to this methodology.

Maternity Services: The low birth weight rate of 4.6 percent for the Health Department compares favorably with the overall County rate of 6.6 percent, particularly given that the Health Department population is generally at higher risk for poor birth outcomes. The State of Health Care Quality Report of 2003 indicates that for every dollar spent on prenatal care, between \$3.30 and \$23 are saved in future health care costs for the unborn child. The range reflects the range of risk factors, severity of related birth outcomes, costs to care for the child's present and future education needs. In a recent national study, average hospital charges ranged from \$5,816 for normal weight infants to \$205,204 for infants with very low birth weight. In FY 2007, the total cost to the County for prenatal care was \$951,711 resulting in a potential savings of \$3,140,646 to \$21,889,353. For FY 2007 the actual cost of maternity services was higher than projected due to an increase in the cost of interpreter and translation services, as well as clinic supplies.

Speech and Language: In FY 2007, there was a significant reduction in the number of client visits (9 percent from FY 2006 and 26 percent from the FY 2007 estimate) due to continuous staff vacancies (e.g., 1.5 SYEs) and shortages in qualified speech pathologist applicants. The number of client visits estimated for FY 2007 was predicated on full staffing. A reduction of available staff directly impacts the number of client visits, and indirectly, the cost per visit – which increased by 15 percent over the FY 2006 actual and 37 percent over the FY 2007 estimate. The net cost per visit was also affected by a significant increase in actual FY 2007 operational costs versus estimated FY 2007 costs.

There was a significant increase in the percentage of patients discharged as corrected; no further follow-up needed in FY 2007. This increase is most likely positively affected by an increase in the number of children successfully transferred to the Fairfax County Public School (FCPS) system. In addition, children who moved out of the County before a therapeutic outcome could be determined were not included in the data.

4.4 How is performance information used in the budget process?

Over two-thirds of OECD countries now include non-financial performance information in their budget documents, but this does not mean that it is being used to help make budget decisions. To do that, the performance information should be integrated into the budget process. First the budget has to be prepared in a way that looks at why money is allocated and whether its use produces the desired results. This has meant changing the whole way of how the budget is prepared. For example, the health ministry had previously focused on allocating funds to administrative units, but now specifies tasks such as vaccinating a certain number of patients. The way that a line item format presented, does not help integration performance information within. Which include separate lines for travel, office supplies or salaries, makes it difficult to include any type of performance information. Budgets with a single “envelope” of funds for all operational costs offer more flexibility and

make it easier to integrate performance information. A few countries, such as Australia, the Netherlands, New Zealand and the United Kingdom, have changed their budget structures to focus on results. Others, such as Canada and the United States, have preferred to keep the existing budget structure and to add performance information in supplementary documents provided to the legislature. Even countries that have altered their budget structures, struggle to integrate performance and financial information into the process. The Swedish government changed the structure of its budget to more closely reflect government policy priorities in the mid-1990s, but there is still a clear separation between the financial and performance aspects. Governments have also tried to include performance information in budget negotiations between the finance ministry and spending ministries, and in negotiations between spending ministries and agencies.(OECD,2008).

When NGOs integrate their performance information within the budget, determines their priorities, allocating the recourses in the way that produces the desired results. It becomes easy to obtain the goals which have endeavored before. Also, the organization would not desire to sink in the process of spending the budget without keeping its eye on why the money is being allocated, and has it achieved the goals or not.

4.5 Types of performance Budgeting reform

The OECD has defined performance budgeting as budgeting that links the funds allocated to measurable results. There are three broad types: presentational, performance-informed, and direct performance budgeting.

1. **Presentational performance budgeting** simply means that performance information is presented in budget documents or other government documents. The information can refer to targets, or results, or both, and is included as background information for accountability and dialogue with legislators and citizens on public policy issues. The performance information is not intended to play a role in decision making and does not do so.

2. **Performance-informed budgeting**, resources are indirectly related to proposed future performance or to past performance. The performance information is important in the budget decision-making process, but does not determine the amount of resources allocated and does not have a predefined weight in the decisions. Performance information is used along with other information in the decision-making process.
3. **Direct performance budgeting** involves allocating resources based on results achieved.

4.6 Managing for Results

Before implementing the performance-based budget, the field of work should be saturated in the culture of performance management. Schick argue that One of the most important lessons from half a century of disappointment is that budgeting cannot be transformed in isolation from the management practices and culture in which it is embedded. Only when managers manage for results, they will be able to budget for results. (Schick, 2007, p129). Organizations that do not manage for results do not budget for results. Performance budgeting will not live in the absence of incentives and rewards or penalties system that encourage doing more for less to get rewards.

In united nation and similar international organizations, there is a similarity in the doctrinal stance between RBB and New Public Management “NPM”. Hood identified seven doctrinal components of NPM, RBB seems to be explicitly and implicitly supported by several of these seven doctrinal components, such as: (i) hands-on professional management; (ii) explicit standards and measures of performance; (iii) greater emphasis on output (results) control; (iv) stress on private sector styles of management practice; and (v) stress on greater discipline and parsimony in resource use (do more with less). (Mizutani, 2002, p8)

4.7 Costing outputs and outcomes

Many countries have moved away in public spending from cash accounting basis to accrual accounting basis, international agencies such as the

organization for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF), and the World Bank. Some international accounting bodies, such as the International Federation of Accountants (IFAC), have also supported this direction.

A key change for shifting from cash accounting to accruals budgeting and accounting, is to link the “allocation of costs to outputs and outcomes” (Rose, 2003, p22), In 2003, after conversion to results-oriented budget Blöndal estimated in his research that about 5 of 28 OECD member countries had adopted full accrual accounting, with a further 2 adopting a modified form of accrual.(Shah and Shen,2007,p179-180).

In order to have increased accountability for results, and to measure the output, outcome respectively, agencies In Australia have had developed sound information and accounting systems which take account of efficiency and effectiveness measures. Chan et al. argue that:

“Accuracy in allocating costs to outputs is achieved through the use of accruals, which allows agencies to monitor financial flow at the time economic value is created, transformed, exchanged, transferred or extinguished in the production of an output. Accruals also enable agencies to manage the financial position of their organizations, including through the use of assets and liabilities information” (Rose, 2003, p22).

It's obvious that the organization should develop accounting system which harmonizes with the measurements of an output, outcome, and put some indicators to measure the efficiency and effectiveness of an organization. Furthermore, the accrual basis recognizes the expenses when they incurred whether paid or not. This means it is possible to measure the output and outcome although it occurred in different financial periods. It is difficult to allocate resources and mobilize it to achieve on goal which may take two to third or even long period time with the existing cash basis.

Blöndal set some of Benefits of accrual budgeting in his journal in budgeting which published by OECD (Blöndal, 2004, p105-107):

1. Accrual budgeting provides the total cost of producing outcomes and outputs rather than the cash outlay and recognizes the costs being deferred although cash impact will affect later reporting periods.
2. Accrual provides better incentives to manage assets, disposal and depreciation; it also provides new impetus to manage working capital (debtors, creditors and stocks).
3. Accrual budgeting eliminates biases perceived to exist with the recording of capital investments as a “lump sum” rather than being capitalized and depreciated over its useful life. For example, if an asset has a useful life of 25 years, then why should its total acquisition cost be treated as a single item in one year’s budget rather than being capitalized and the costs distributed over its useful life through depreciation?
4. Accrual budgeting will illuminate the long-term sustainability of public finances by highlighting the long-term consequences of current decisions.
5. The adoption of accrual budgeting is a catalyst for other management reforms in the public sector. I.e. reducing input controls, increasing flexibility, focusing on outcomes and outputs.
6. Proponents claim that accrual budgeting is necessary in order to ensure symmetry with accrual financial reporting (accounting). It is argued that the two have to be on the same basis in order to enable comparability between the budget and the actual results.

The organizations which have strategic plan generally have objectives, and therefore define the purpose of organization within mission statement which leads to explain the purpose of monies appropriated to organizations. Full accrual budgeting enables the impact of long-term expenditure to be realized over time.

Although the mainstream and moving toward accrual budgeting and accounting in developed countries there are still obstacles to apply the accrual Budgeting because the difficulties in implantation, the need to professional in the area of human resources and information technology (IT) capacity.

4.8 Strategic planning:

4.8.1 Definition:

John Bryson defines strategic planning as “a disciplined efforts to produce fundamental decision and actions that shape and guide what an organization is, what it does, and why it does it “. (Tarazi, 2007, p18). Strategic planning is a management tool widely applied in the private, non-profit, and public sector. It is used to define an organization’s vision, mission, core values, challenges, and opportunities; establish long and short-range goals; guide business process; and measure performance. It helps an organization create its future rather than just react to it. In addition, it helps to integrate an organization’s various activities and programs, and to better align the organization with its stakeholders. (Tarazi, 2007, p18).

4.8.2 Importance of Strategic Planning.

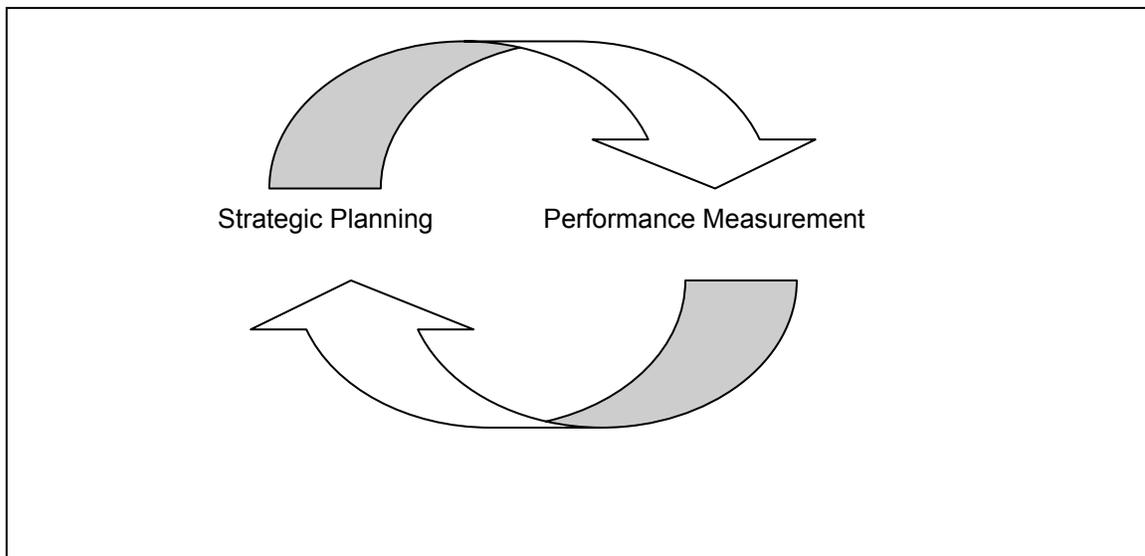
The first step in a performance measurement should involves strategic planning, strategic planning will explicate the purpose of the organization, why it established, how will present the service, where it going to be, and where it now. The Strategic planning is articulated as a process in which an organization takes a fresh look at its mission and how to best meet that mission, and involves assessing the likely future environment and needs for service. It also involves considering alternative ways to carry out the mission and the alternatives' likely costs, outcomes, and feasibility. (Liner et al., 2001, p5).

Private, non-profit, and public sector has long utilized strategic planning as a management tool, it helps the organizations to set priorities and allocate resources, the prerequisite of applying performance-based budget is the developing strategic plan, an annual performance plan and performance reports which will review the success toward achieving the goals. In 1993, the

government of United States released an act The Government Performance and Results Act (GPRA), the major component of this framework requires agencies to establish missions, goals, and performance measures as well as clearer linkages between resources and results (GAO, p3, 2001). The act confirms the developing strategic plan to measure an organization performance.

The integration between performance measurements and strategic planning is very clear, whilst Strategic planning looks ahead toward goals to be accomplished, performance measurement looks back to see what was achieved. Also, it defines the performance to be measured, while performance measurement provides the feedback that keeps the strategic plan on target. When strategic plan and performance measurement are used together, they form a continuous process of governing-for-results (Liner et. al, 2001, p5).see figure 4.2.

FIGURE 4.2 Continuous Process of Planning and Measurement



Source: Liner, et al. “Making Results-based State Government Work, 2001, p8.

4.8.3 Why strategic plan.

Strategic planning is the core of the work of an organization. Without a strategic framework we don't know where we are going to, or why we are going there.(Shapiro,2001, p1).Without identifying the main purpose of the work and why the work was established, any organization would not be able to ask these question (North Carolina,2007, p1) :

1. Where are we now?
2. Where do we want to be?
3. How do we get there?
4. How do we measure our progress?

When asking the previous questions, the organizations can assess their current goals and operations. They also ensure their future direction as transparent, explicit, and correspond to its mission and expected outcomes.

Joyce and Sieg indicated in their study that the strategic planning is widespread in the states. They suggest before implementing PBB, Public entities need to know what they are supposed to accomplish(Joyce and Sieg,2000), the prerequisite for Government Performance and Results Act is to develop five-year strategic plans and should be updated and revised at least every three years, Strategic plans should cover a number of years beyond the budget period, and pursue to achieve the objectives and goals, organizations should revise the objectives from time to time, because the previous objectives become verifiable or mislead.

FIGURE 4.3 How to Develop a Strategic Plan

How to Develop a Strategic Plan

The following seven steps basic principles that each strategic plan should include:

- 1- Identification of the populations served and outcomes sought.
- 2- Identification of specific outcome indicators by which progress will be measured.
- 3- Examination of the future environment and problems or barriers within which the government and its programs operate.
- 4- Identification of the latest available baseline values for each outcome indicator.
- 5- Examination of alternatives and practical options for achieving outcomes, including the current service delivery approach.
- 6- Analysis of each strategic option's costs, feasibility, and effect on the outcomes, including estimates of the out-year values for each outcome indicator and the costs included in the plan.
- 7- Creation of a process for obtaining input, customers, employees, and interest groups.

Source: Liner, et al. "Making Results-based State Government Work, 2001, p8.

4.9 Recommendation to implement performance-based budget .

California State made pilot test to PBB in four state departments in 1993, after that, in 2003; the state renewed its efforts to implement PBB. In order to avoid the pitfalls that befell in pilot test efforts, the state suggested recommendation that incorporate the best practices to implement PBB systems: (Harrison,2003,p14-17)

- 1- *Adopt a comprehensive strategic plan prior to implementation of PBB.*

Strategic plan is essential to successful PBB efforts because it lays out the organizations mission, goals and objectives, which are prerequisites to adoption of formal performance measures.

2- *Link resources to performance measures using activity-based costing.*

Most public agencies cannot even tell how much does it cost to deliver an output. In particular because of the problems with allocating indirect costs. They go on to point out that while activity-based costing “is a more sophisticated mechanism that attempts to measure the full cost of resources consumed in the delivery of a particular service including allocations for fringe benefits and overhead costs as well as allocations for other indirect costs,”

3- *Ensure that performance measures are results-oriented.*

Many of the performance measures selected to track performance in the pilot test measured process, activity, and effort levels rather than results. For example, one of proposed performance measures was to establish a new motorcycle safety training program. Another was to develop a plan for reducing visitor dissatisfaction with the department’s camping reservation system. And the more meaningful performance measures would have been the extent to which motorcycle injuries had been reduced and camper satisfaction increased. The administration must ensure that performance measures focus on outcomes rather than processes.

4- *Include performance incentives, benchmarking, and oversight provisions.*

PBB effort should include incentives for agencies that perform as well as disincentives for agencies that perform poorly. It should include benchmarking and appropriate oversight provisions.

5- Expand the PBB implementation time frame.

Joyce and Sieg suggest that, in many cases, “reforms are not permitted to germinate and bear fruit before they are prematurely declared to be failures. Seen in this context, we would argue that it is crucial to view performance-based budgeting reforms through a wide, rather than a narrow lens.

6- To the extent possible, implement PBB during a sustained economic expansion to ensure sufficient resources are available to fund the effort.

As Young points out adequate resources sufficient staff, equipment, and funds are essential to PBB success, second only perhaps to the requirement of ‘good and sustained leadership. It will not be useful to focus on performance budgeting during fiscal crises.

4.10 Selected Performance Budgeting Practices of Organization for Economic Cooperation and Development Members

The following are some examples of what is happening in some states of Organization for Economic Cooperation and Development regarding performance reporting and budgeting. This is a summary of current budgeting processes in some states (Rose, 2003, p3-4):

4.10.1 Australia

Ministers approve outcomes and outputs that are developed by agencies in conjunction with the relevant minister and then endorsed by minister of finance. The outcomes are identified in the appropriation bills and annual portfolio budget statements, binding spending agencies to use the appropriated resources for the identified outcomes. Annual reports provide ex post accountability. They state the extent to which planned performance has been achieved using indicators of efficiency and effectiveness.

4.10.2 Canada

Departments submit annual reports on plans and priorities, containing key results commitments for a three-year period, to the legislature. After the spending year, departmental performance reports are tabled in the legislature.

4.10.3 Japan

Performance evaluation system created in 2001 involving creation of intended goals and measurable targets and the specified outcome and output are published, currently the system is strengthening.

4.10.4 New Zealand

The system focuses on controllable outputs rather than uncontrollable outcomes. Outcome targets are set out in key government goals. The outcome targets are translated into departmental output focused key priorities for which chief executives are held accountable. Chief executives are contracted to deliver on the targets. Ministers (as the purchaser) review agency performance.

4.10.5 United states of America

Agencies define output goals to achieve outcome goals. Annual performance plans set out annual outcome and output goals, agencies becoming accountable for strategic and annual plan through annual performance report. The president, congress and the Office of Management and budgeting look closely to these plans.

4.11 Examples of PBB in the United states of America

Following are some examples of what is happening in some states in United States regarding performance reporting and budgeting. This is a summary of current budgeting processes in some states (Nilsen et al, 1999):

4.11.1 Florida:

Florida has a very comprehensive system for measuring performance. In 1994, the Legislature created the Office of Program Policy Analysis and Government Accountability (OPPAGA) to help improve the performance and accountability of state government. It set in motion a seven-year effort called “Performance Based Program Budgeting (PBPB or PB2) to focus the attention of budget decision makers on program results. PB2 provides for incentives and rewards for agencies that meet their goals and offer sanctions for those that do not. OPPAGA is working to improve the system by improving performance measures, quality and consistency of data reported, and presentations to the Legislature. PB2 has not yet developed a direct linkage to budget decisions

4.11.2 Arizona :

In 1997, the State of Arizona made major changes in their budgetary processes. Besides switching to a biennial budget, the State began budgeting on the program level instead of on specific budget item such as personnel. Programs are designed to be the key features of an agency’s mission. The Joint Legislative Budget Committee (JLBC) and the Governor’s Office of Strategic Planning and Budgeting (OSP) jointly review agencies’ programs and self-assessments. According to the JLBC, data do not yet show program performance improvements, but agencies are better able to track historical data, set benchmarks, and measure customer satisfaction.

4.11.3 California:

California has begun a performance based budgeting pilot program involving five state agencies. Each of the five agencies was allowed to develop a unique approach to creating a new budget process. In general, each plan included goals, strategies, tactics, and measures. The measures become the essence of a Memorandum of Understanding (MOU) with the Legislature. The specific language of the MOU:

- Specifies outcomes to be achieved,
- Establishes baselines for measuring performance,

- Increases managerial flexibility by allowing exemptions from some controls,
- Allows the department to reinvest savings into programs, and
- Requires commitment to quality improvement.

4.11.4 Texas:

Texas has used performance based budgeting since 1993. Texas has developed a reporting system to collect performance data. The State Auditor's Office certifies that reporting is reliable. There are four types of performance measures used:

- 1) Efficiency measures which report costs per unit of output.
- 2) Explanatory measures which provide information regarding reported performance.
- 3) Output measures which count services provided by an agency.
- 4) Outcome measures which report actual impact and effect.

The performance data is generally used for informative purposes. The Texas system is becoming more convoluted as legislators every year want to add new measures. The process of creating a vision, mission, goals, strategic plans, benchmarks, and performance measures is very complex. A great deal of time is required to review prior performance, hold hearings for future performance measure.

Chapter 5

RESEARCH METHODOLOGY

5.1 Introduction

This chapter presents the methodology of the study including research methodology, research population, the questionnaire that was used in the study and the way it was designed, pilot study, data collection, and Descriptive Statistics and personal Data analysis.

5.2 Research Methodology

The researcher targeted the using of performance-based budget as a management tool toward achieving the results in health NGOs from the managers perspective, for this propose the researcher used descriptive analytical method, the data was collected from the targeted health NGOs in Gaza strip and then analyzed to evaluate how and extent of using performance measurements in budget process to achieve the results.

5.2.1 Data Collection

This research aims to examine to what extent the basic elements of Performance-based budget is being adaptable, and its role in decision making in health NGOs in Gaza Strip. Thus, the data to be collected through:-

I. Secondary data

Published data search, including books, papers, journals, internet, documents and other literature related to the research.

II. Primary Data

The primary source is mainly through using a questionnaire which was specifically designed for this study due to the type of data needed to examine the hypothesis, the questionnaire survey seems to be most appropriate to collect data in the current study because the population consists of health NGOs located in Gaza Strip.

5.3 Study Population

The research population includes the health NGOs that are working in Gaza Strip, The UNSCO directory of Non-Governmental Organizations in Gaza Strip (2007) and the ministry of interior data about NGOs had been used to determine the names, numbers and locations of health NGOs that were considered in this research. The criteria for selecting the NGOs were the following:

- Palestinian health NGOs, International ones were excluded due to obstacles to reach.
- Active NGOs with physical presence, Non active or closed were excluded.
- Unions of professionals such as doctor, engineers, etc. were excluded.

The directories and The Ministry of Interior data showed that 54 health NGOs were applicable for the study. Yet, when examined more closely by the researcher, 19 of these health NGOs were excluded due to the legal form such as unions and not for profit companies, also, the obstacles to reach to those health organization. Hence, the population size of the study was 35 organizations. The researcher contacted the 35 organizations and 29 of them had submitted their questionnaires.

5.4 The Questionnaire Design

The questionnaire was designed in Arabic language, as most targeted health NGOs were unfamiliar with English language and to be more understandable. An English version and Arabic version were attached in (Annex 1) and (Annex 2). Unnecessary personal data, complex and duplicated questions were avoided. The questionnaire was provided with a covering letter which explained the purpose of the study, the way of responding, the aim of the research and the confidentiality of the information in order to encourage the respondents.

A structured questionnaire was specially designed for the study and it consisted of three main sections:

I. The first section was a covering letter which explained the purpose and the aim of the study.

II. The second section was general information about NGOs characteristics and the respondents.

III. The third section was the main body of the questionnaire and it was divided into 6 field related to the Performance-based budget.

5.5 Data Measurement

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. For each type of measurement, there is/are an appropriate method/s that can be applied and not others. In this research, ordinal scales were used. Ordinal scale is a ranking or a rating data that normally uses integers in ascending or descending order. The numbers assigned to the important (1, 2, 3, 4, 5) do not indicate that the interval between scales are equal, nor do they indicate absolute quantities. They are merely numerical labels. Based on Likert scale we have the following:

Item	<i>Strongly agree</i>	<i>Agree</i>	<i>Neutral</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
Scale	5	4	3	2	1

5.6 Statistical analysis Tools

The researcher would use data analysis both qualitative and quantitative data analysis methods. The Data analysis will be made utilizing (SPSS 15). The researcher would utilize the following statistical tools:

- 1) Cronbach's Alpha for Reliability Statistics
- 2) Spearman Rank correlation for Validity

- 3) Frequency and Descriptive analysis
- 4) Nonparametric Tests (Sign test, and Kruskal-Wallis test)
 - *Sign test* is used to determine if the mean of a paragraph is significantly different from a hypothesized value 3 (Middle value of Likert scale). If the P-value (Sig.) is smaller than or equal to the level of significance, $\alpha = 0.05$, then the mean of a paragraph is significantly different from a hypothesized value 3. The sign of the Test value indicates whether the mean is significantly greater or smaller than hypothesized value 3. On the other hand, if the P-value (Sig.) is greater than the level of significance, $\alpha = 0.05$, then the mean a paragraph is insignificantly different from a hypothesized value 3.

Kruskal-Wallis test is used to examine if there is a statistical significant difference between several means among the respondents toward the ways that performance measurements is used and reported in health NGOs due to NGO and personal Data.

5.7 Pilot Study

5.7.1 Validity of Questionnaire

Validity refers to the degree to which an instrument measures what it is supposed to be measuring. Validity has a number of different aspects and assessment approaches. Statistical validity is used to evaluate instrument validity, which include criterion-related validity and construct validity.

5.7.2 Statistical Validity of the Questionnaire

Validity refers to the degree to which an instrument measures what it is supposed to be measuring (Pilot and Hungler, 1985). Validity has a number of different aspects and assessment approaches.

To insure the validity of the questionnaire, two statistical tests should be applied. The first test is Criterion-related validity test (Spearman test) which measures the correlation coefficient between each paragraph in one field and the whole field. The second test is structure validity test (Spearman test) that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one filed and all the fields of the questionnaire that have the same level of similar scale.

5.7.3 Internal Validity

Internal consistency of the questionnaire is measured by a scouting sample, which consisted of 30 questionnaires through measuring the correlation coefficients between each paragraph in one field and the whole filed.

5.7.4 Structure Validity of the Questionnaire

Structure validity is the second statistical test that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one filed and all the fields of the questionnaire that have the same level of liker scale.

5.7.5 Reliability of the Research

The reliability of an instrument is the degree of consistency which measures the attribute; it is supposed to be measuring (Polit & Hunger, 1985). The less variation an instrument produces in repeated measurements of an attribute, the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a measuring tool. The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient (Polit & Hunger, 1985).

5.7.6 Cronbach's Coefficient Alpha

This method is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire. The normal range of Cronbach's coefficient alpha value between 0.0 and + 1.0, and the higher values reflects a higher degree of internal consistency. The Cronbach's coefficient alpha was calculated for each field of the questionnaire.

Note:

According to the pilot study, four statements were eliminated:

1- The statement "The organization is comparing its performance level with other organization working in the same field." from field "Performance Measurements" because the value of Spearman correlation coefficient equals 0.179 with P-value (sig.) =0.102 which is greater than the level of significance $\alpha = 0.05$.

2- The statement "The organization compares the results of its work with other organizations that are working at the same field" from field "Managerial System" because the value of Spearman correlation coefficient equals 0.140

with P-value (sig.) =0.158 which is greater than the level of significance $\alpha = 0.05$.

3- The statement “Resources are being mobilized according to organization goals and vision not on donors vision.” from field "Funding level" because the value of Spearman correlation coefficient equals 0.215 with P-value (sig.) =0.060 which is greater than the level of significance $\alpha = 0.05$.

4- The statement “The organization depend on international donors in funding its activities and programs” from field "Funding level" because the value of Spearman correlation coefficient equals 0.199 with P-value (sig.) =0.079 which is greater than the level of significance $\alpha = 0.05$.

5.7.7 Internal Validity of the Fields

The researcher assessed the fields’ internal validity by calculating the correlation coefficients between each paragraph in one field and the whole field.

Table (5.1) clarifies the correlation coefficient for each Paragraph of the "Strategic plan" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 5.1 Correlation coefficient of each paragraph of Strategic plan and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	The organization works with clearer vision.	0.658	0.000*
2.	The organization attempts to achieve its mission statement to serve its community.	0.487	0.000*
3.	The organization has clear goals and it attempt to achieve them.	0.663	0.000*
4.	The activities and executive programs are executed according to determinative goals.	0.759	0.000*
5.	The organization prepares strategic and executive plans to work within.	0.782	0.000*
6.	Action plan exists and it clarifies the organization trends.	0.698	0.000*
7.	The organization prepares its budget according to desired projects and programs.	0.761	0.000*
8.	The organization set the executive activities and programs according to its vision and goals.	0.732	0.000*
9.	The organization evaluates and adjusts its plans and work strategy periodically according to the achievements of its goals.	0.506	0.000*

* Correlation is significant at the 0.05 level

Table (5.2) clarifies the correlation coefficient for each Paragraph of the "Performance measurements" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 5.2 Correlation coefficient of each paragraph of Performance measurements and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	The budget is classified as items and distributed on activity and programs.	0.610	0.000*
2.	The human and financial inputs are allocated to programs and activities precisely in the organization budget.	0.681	0.000*
3.	When the inputs are allocated and distributed on the budget item, the resources are justified according to the services which will be achieved.	0.692	0.000*
4.	When preparing the budget, the output is determined regarding the number, type, or quality of services delivery.	0.635	0.000*
5.	The outcome or the result of service delivery is shown in the budget when it is being prepared.	0.633	0.000*
6.	The organization is justifying its budgets by desired outcome on citizen life.	0.585	0.000*

Table 5.2 Continue
Correlation coefficient of each paragraph of Performance
measurements and the total of this field

7.	The cost per unit output or outcome is measured and periodically compared to determine the efficiency of organization.	0.626	0.000*
8.	Improving Service quality is installed for example average time of service delivery per unit.	0.551	0.000*
9.	Surveys are being made on citizens to measure service satisfaction.	0.557	0.000*
10.	Activities size and amounts are being measured when delivered to citizens and considered as performance indicator for example	0.417	0.001*
11.	Services produced are identified and recognized when the organization prepare and executes the budget.	0.554	0.000*
12.	The organization is comparing its performance level with prior years.	0.237	0.044*
13.	Non financial information is being merged when budget prepared and executed.	0.440	0.001*

* Correlation is significant at the 0.05 level

Table 5.3 clarifies the correlation coefficient for each Paragraph of the "Financial system" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so

it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 5.3 Correlation coefficient of each paragraph of Financial system and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	Financial system is written and clarifying financial policies and procedures.	0.495	0.000*
2.	International and local Financial standards are taking into consideration when financial statements and reports prepared.	0.693	0.000*
3.	Computerized accounting programs are being used in accounting transaction.	0.571	0.000*
4.	The produced Services can be calculated through accounting and managerial programs.	0.655	0.000*
5.	The employees of finance have capabilities and efficiency to compute the different performance indicators.	0.748	0.000*
6.	Performance information and measurements are being disclosed in financial reports.	0.784	0.000*
7.	Financial system is suitable for develop performance measurements.	0.755	0.000*
8.	Managers can be able to deploy financial resources more effectively to achieve their results.	0.579	0.000*

* Correlation is significant at the 0.05 level

Table 5.4 clarifies the correlation coefficient for each Paragraph of the "Administration building spaces" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 5.4 Correlation coefficient of each paragraph of Managerial system and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	Managerial system is written and is clarifying managerial policies and procedures.	0.519	0.000*
2.	The organization works in a clear structure.	0.686	0.000*
3.	The management is interested in modern management systems to measure its performance and to determine the arrival of desired goals.	0.736	0.000*
4.	The management can aware and understand performance indicators.	0.607	0.000*
5.	Reports which rose to donors attached with performance indicators.	0.635	0.000*
6.	Mechanisms and action plans are being installed and periodically revised to ensure the arrival of goals.	0.640	0.000*
7.	The managerial system in management process focuses on achievement.	0.654	0.000*
8.	Divisions and departments issues report clarifies the activity's size and performance.	0.607	0.000*
9.	Organization Policies are being directed and adjusted with performance indicators.	0.642	0.000*
10.	Incentives and penalties is applied to encourage an organization employee to arrive to desired goals	0.467	0.000*
11.	The results of activities and programs are evaluated periodically.	0.701	0.000*

Table 5.4 Continue
Correlation coefficient of each paragraph of Managerial system and the total of this field

12.	The organization evaluates its employee performance periodically to determine the degree of participation in arrival of desired goals.	0.796	0.000*
13.	Managerial system is flexible and developable according to work necessities.	0.631	0.000*
14.	Varied managerial reports are issued accompanied with performance indicators	0.574	0.000*
15.	The Incentives are granted when reaching to goals and results according to organization vision.	0.271	0.025*
16.	The managers of programs and their staff could be subjected to accountability at the end of project to determine the extent to which goals and vision's organization are verifying.	0.492	0.000*

* Correlation is significant at the 0.05 level

Table 5.5 clarifies the correlation coefficient for each Paragraph of the "Funding level" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 5.5 Correlation coefficient of each paragraph of Funding level and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	The organization prepares its own projects according to its vision and goals rather than donors desire.	0.395	0.002*
2.	The organization depends on work frames and justification in project proposal not on appeal basis.	0.286	0.019*
3.	The organization depends on local donors like members, citizen, and government to fund its activities and programs.	0.665	0.000*
4.	The organization depends on self efforts to fund its activities and programs.	0.595	0.000*
5.	There is simplicity in mobilizing the financial recourses to execute the activities and programs.	0.582	0.000*
6.	The Organization has strategy to collect donation and funding the projects.	0.484	0.000*
7.	The organization has donors archive which funds the organization in the same field.	0.426	0.001*
8.	Estimated budget exists according to strategic plan and periodically justified.	0.489	0.000*
9.	Programs and projects are affected by the prevailing economic situation at the country.	0.486	0.000*
10.	The activities and programs are directed according to economic situation.	0.544	0.000*
11.	Funding of programs and activities inflow according to prevailing economic situation at the country.	0.667	0.000*

* Correlation is significant at the 0.05 level

5.7.8 Structure Validity of the Questionnaire

The researcher assessed the fields' structure validity by calculating the correlation coefficients of each field of the questionnaire and the whole of questionnaire.

Table 5.6 clarifies the correlation coefficient for each field and the whole questionnaire. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all the fields are significant at $\alpha = 0.05$, so it can be said that the fields are valid to be measured what it was set for to achieve the main aim of the study.

Table 5.6 Correlation coefficient of each field and the whole of questionnaire

No.	Field	Spearman Correlation Coefficient	P-Value (Sig.)
1.	Strategic plan	0.621	0.000*
2.	Performance Measurements	0.709	0.000*
3.	Financial System	0.653	0.000*
4.	Managerial System	0.820	0.000*
5.	Funding Level	0.421	0.001*

* Correlation is significant at the 0.05 level

5.7.9 Reliability Statistics

Table 5.7 shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's Alpha were in the range from 0.729 and 0.874. This range is considered high; the result ensures the reliability of each field of the questionnaire. Cronbach's

Alpha equals 0.912 for the entire questionnaire which indicates an excellent reliability of the entire questionnaire.

Table 5.7 Cronbach's Alpha for each filed of the questionnaire and the entire questionnaire

No.	Field	Cronbach's Alpha
1.	Strategic plan	0.861
2.	Performance Measurements	0.814
3.	Financial System	0.815
4.	Managerial System	0.874
5.	Funding Level	0.729
6.	Total paragraphs of the questionnaire	0.912

Table 5.8 Split Half Method:

No.	Field	Correlation Coefficient	Spearman-Brown Correlation Coefficient
1.	Strategic plan	0.817	0.900
2.	Performance Measurements	0.769	0.870
3.	Financial System	0.800	0.889
4.	Managerial System	0.878	0.935
5.	Funding Level	0.765	0.868
6.	Total paragraphs of the questionnaire	0.894	0.944

Table 5.8 clarifies the correlation coefficient for each field of the questionnaire. The correlation coefficients of all field are significant at $\alpha =$

0.05, so it can be said that the fields are consistent and valid to be measure what it was set for.

The Thereby, it can be said that the researcher proved that the questionnaire was valid, reliable, and ready for distribution for the population sample.

5.8 Descriptive Statistics for NGO and personal Data

5.8.1 NGOs Names and personal Data

Table 5.9 show that 53 persons working in health NGOs were responded to the questionnaire, The table clarify the frequency and the percentage of the persons that had participated to survey, for example ard el insan has three frequency with 5.7% it mean that three staff persons responded to the survey with weight 5.7% from the whole health NGOs participated to survey.

Table 5.9 Health NGOs Names and Frequency of Participated Staff.

No.	NGO Name	Frequency	Percent
1.	Middle East Council of Churches Committee for Refugee Work.	3	5.7
2.	Union of Health Care Committees	2	3.8
3.	Ard El Insan-Palestinian Benevolent Association	3	5.7
4.	Patient Friends Benevolent Society.	1	1.9
5.	Atfaluna for Deaf.	1	1.9
6.	Union of the Palestinian Medical Relief Committees	2	3.8
7.	Al Aqsa for Relief and Development	2	3.8
8.	Charitable Health Society for All	3	5.7
9.	National Society for Rehabilitation in the Gaza Strip	4	7.5
10.	Public Aid Society	3	5.7
11.	Medical Care for Rural community.	1	1.9
12.	AL Sahaba Medical Complex	2	3.8
13.	Gaza Community Mental Health Programme-GCMHP	2	3.8
14.	National Center for Community Rehabilitation	3	5.7
15.	Al Mawasi Medical Association	1	1.9
16.	Al Nahda Palestinian Association	2	3.8
17.	Al Huda for Development Association	1	1.9
18.	Red Crescent Society for the Gaza Strip	2	3.8
19.	Al Wedad for Social Rehabilitation	2	3.8
20.	Al Watania For Handicapped care.	1	1.9
21.	Al Wafa' Benevolent Society	1	1.9
22.	Central Blood Bank	2	3.8
23.	Right to Live Society for Children	3	5.7
24.	Dar Al Salam Hospital	1	1.9
25.	Society for the Care of the Handicapped	1	1.9
26.	Society for the Care of the Handicapped-Shams	1	1.9
27.	Palestine Future Foundation for Children (Althelasimia and Alheimovilia Center)	1	1.9

No.	NGO Name	Frequency	Percent
28.	Palestine Future Foundation for Childhood (Brain	1	1.9
29.	Wesal for Health and Community Development.	1	1.9
	Total	53	100.0

Table No. (5.10) show that the majority of health NGOs have good experience to run their institutions and to react toward new management and financial approaches, as 58.5% of the research population has over 16 years and above of experience which clearly shows that most of the respondent organizations have enough experience level to successfully run their institutions.

Table 5.10 Years of Experience

Years of Experience	Frequency	Percent
Less than 5 years	7	13.2
5 – Less than 10 years	9	17.0
11 – Less than 15 years	6	11.3
16 – Less than 20 years	14	26.4
21 – Less than 25 years	2	3.8
26 years and higher	15	28.3
Total	53	100.0

Table No. (5.11) show that 34% of the respondents have 101 staff and higher which point out the volume of structure and the complexity of the work among them. Also, 15.1% from the population have 51-100 staff, and 15.1% have 31-50 staff.

Table 5.11 Number of staff

Number of staff	Frequency	Percent
1-10	6	11.3
11-20	7	13.2
21-30	6	11.3
31-50	8	15.1
51-100	8	15.1
101 and higher	18	34.0
Total	53	100.0

Table No.(5.12) show that 19.2 % of the respondents have the Average annual budget for last two years (2008/2009) are less than \$50,000, and 15.4% of the respondents the Average annual budget for last two years (2008/2009) range from \$50,000 – Less than \$100,000 , and 5.8% of the respondents the Average annual budget for last two years (2008/2009) range from \$101,000 – Less than \$500,000, and 23.1% of the health NGO's the Average annual budget for last two years (2008/2009) range from \$501,000 – Less than one million, and 36.5% of the health NGO's the Average annual budget for last two years (2008/2009) are One million or higher. The results show that 59.6% of the research population have average annual budget of more than \$501,000. The high budget level within health NGOs could be justified by the high experience and the high confidence of donor to support such health NGOs.

Table 5.12 Average annual budget for last two years (2008,2009)

Average annual budget	Frequency	Percent
Less than 50,000	10	19.2
50,000-100,000	8	15.4
101,000 - 500,000	3	5.8
501,000 -1,000,000	12	23.1
1000000 and higher	19	36.5
Total	52	100.0

Table No.(5.13) show that 26.4% of the respondents are executive managers, 13.2% of the respondents are general managers,18.9% of the respondents are financial managers, 3.8% of the respondents are monitoring manager,11.3% are program managers and finally 26.4% others with varying titles like managerial, department officer, board of directors ,medical manager, project coordination, post titles of respondents indicate the high experience and eliminate the managerial capabilities which own by them.

Table 5.13 Job title

Job title	Frequency	Percent
Executive Manager	14	26.4
General manager	7	13.2
Financial manager	10	18.9
Monitoring manager	2	3.8
Programs manager	6	11.3
Others	14	26.4
Total	53	100.0

Table No. (5.14) show the experience of respondents which indicate that 44 of respondents are above of 5 years which clearly show that most of the respondents have enough experience level to successfully run their institutions.

Table 5.14 Years of Experience

Years of Experience	Frequency
Less than 5	9
5 - Less than 11 years	18
11 and higher	26
Total	53

Table No. (5.15) show the type of respondents work which indicate that 68.9% of respondents are working in management field and 22.2% from the respondents are working in financial field and 8.9% are working in technical work, the results clearly show the high specialization of the respondents and the high perception toward managerial and financial issues.

Table 5.15 Type of work

Type of work	Frequency	Percent
Management	31	68.9
Financial	10	22.2
Technical	4	8.9
Total	45	100.0

Table No. (5.16) show that the majority of respondents are above 40 years with 50.9% which point out the high rationality toward managing their organization and the ability to manage the human people.

Table 5.16 Age in years

Age in years	Frequency	Percent
Less than 30	10	18.9
30 - Less than 40	16	30.2
40 - Less than 50	14	26.4
50 and older	13	24.5
Total	53	100.0

Table No. (5.17) show that 58.5% of the research population has a bachelor degree and 37.7% has post graduate. This reflects the high level of education that the health NGOs have which reflects their skills and abilities.

Table 5.17 Education

Education	Frequency	Percent
Diploma	2	3.8
Bachelor degree	31	58.5
Post graduate	20	37.7
Total	53	100.0

CHAPTER 6

DATA ANALYSIS AND DISCUSSION

6.1 Introduction

The aim of this chapter is to analyze the empirical data which were collected through the questionnaire in order to provide a real picture about the health NGOs Performance-based Budget in the Gaza Strip. This chapter includes the hypothesis Testing.

6.2 Research Hypotheses

6.2.1 Hypothesis #1:

The existence of strategic plan is significantly significant at 0.05 level among health NGOs.

Table (6.1) shows the following results:

- The mean of paragraph #2 “the organization attempts to achieve its mission statement to serve its community” equals 4.81 (96.23%), Test-value = 7.14, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3 .One can conclude that the respondents agreed to this paragraph, Also, it is noted that this paragraph has the highest mean 4.81 (96.23%) which lead to the interesting of organization to set up mission statements.

The result of mission statement paragraph is very close with Ghalayini result about his question “The NGOs have mission statement” who

reach to the same result with weighted mean 96.39 %.(Ghalayini, 2007, p91).

- The mean of paragraph #9 “The organization evaluate and adjust its plans and work strategy periodically according to the achievements of its goals” equals 4.21 (84.15%), Test-value = 6.57, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. To conclude, the respondents agreed to this paragraph, Also, this paragraph has the lowest mean 4.21 (84.15%) in the field of strategy, although its still high which point out that the organizations have strategic plan and they periodically evaluate and adjust their plans in order to achieve their goals.
- The mean of paragraph #4 “The activities and executive programs are executed according to determinative goals. ” equals 4.55 (90.94%), Test-value = 7, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. To conclude, the respondents agreed to this paragraph, also, this paragraph point out that organizations previously set up their goals and then activities is being inducted according to goals.
- The mean of the filed “Strategic plan” equals 4.51 (90.17%), Test-value = 7.07, and P-value=0.000 which is smaller than the level of

significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. Based on overall test for strategic plan one can conclude that at 0.05 level of significance, the strategic plan is significantly exist.

So, one can say that strategic plan plays an important role to apply performance-based budget among health NGOs.

Result of the hypothesis:

The existence of strategic plan is significantly significant at 0.05 level among health NGOs.

This result indicates that the strategic plan is widespread among health NGOs at Gaza, the result agrees with (Joyce and Sieg, 2000) who indicated in their paper “Using Performance Information for Budgeting” that strategic plan is widespread in states when they discovered to what extent performance information is available and used at each stage of the budget process, budget preparation, budget approval, budget execution, and audit and evaluation.

Also, the result agrees with (Diamond, 2003) that any existing program structure must set in the wider context of strategic budget planning and medium term budget frame work.

Table 6.1 Means and Test values for the field “Strategic plan”

	Paragraph	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The organization works with clearer vision.	4.64	92.83	7.07	0.000*	3
2.	The organization attempts to achieve its mission statement to serve its community.	4.81	96.23	7.14	0.000*	1
3.	The organization has clear goals and it attempt to achieve them.	4.74	94.72	7.14	0.000*	2
4.	The activities and executive programs are executed according to determinative goals.	4.55	90.94	7.00	0.000*	5
5.	The organization prepares strategic and executive plans to work within.	4.35	86.92	6.36	0.000*	7
6.	Action plan exists and it clarifies the organization trends.	4.40	87.92	6.80	0.000*	6
7.	The organization prepares its budget according to desired projects and programs.	4.32	86.42	6.65	0.000*	8
8.	The organization set the executive activities and programs according to its vision and goals.	4.57	91.32	7.14	0.000*	4
9.	The organization evaluates and adjusts its plans and work strategy periodically according to the achievements of its goals.	4.21	84.15	6.57	0.000*	9
	Strategic plan	4.51	90.17	7.07	0.000*	

* The mean is significantly different from 3

6.2.2 Hypothesis #2:

The existence of performance measurements is significantly significant at 0.05 level among health NGOs.

Table (6.2) shows the following results:

- The mean of paragraph #10 “Activities size and amounts are being measured when delivered to citizens and considered as performance indicator” equals 4.45 (89.06%), Test-value = 7.07, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph, this paragraph indicates that the organizations are measuring their activities, Also, this indicate that to what extent output measure is used among organizations as performance indicator.
- The mean of paragraph #4 “When preparing the budget, the outputs was determined, regarding the number, type, or quality of services delivery.” equals 4.06 (81.13%), Test-value = 6.13, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph, this paragraph clearly indicate that output measure is used among organizations as performance indicator.
- The paragraphs #1,#2,#3 with mean 4.28, 4.25, 4.15, respectively with Proportional mean (85.66%),(84.91%),(83.02%),indicate that input measures is used and widespread.

- The mean of paragraph #5 “The outcome or the result of service delivery is shown in the budget when it is being prepared.” equals 3.89 (77.74%), Test-value =5, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph.
- The mean of paragraph #6 “The organization justifies its budgets by desired outcome on citizen life.” equals 3.86 (77.25%), Test-value = 5.31, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. Paragraph #5 and #6 point out that outcome measure is used with less degree than other measurements.
- The mean of paragraph #7 “The cost per unit output or outcome is measured and periodically compared to determine the efficiency of organization.” equals 3.98 (79.62%), Test-value = 6.05, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One conclude that the respondents agreed to this paragraph, Also, this indicate that to somewhat some health NGOs is using efficiency measures to determine the organization efficiency.

- The mean of paragraph #8 “Improving Service quality is installed for example average time of service delivery per unit.” equals 3.91 (78.11%), Test-value = 5.59, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph, also, this indicate that to somewhat some health NGOs are using Service quality measures to determine the organization efficiency.
- The mean of paragraph #9 “Surveys are being made on citizens to measure service satisfaction.” equals 3.89 (77.74%), Test-value = 5.12, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph, also, this indicate that to somewhat some health NGOs is using Quality/Customer Satisfaction Measures for determining the quality of the outputs/outcomes or assessment of the quality of the service/ program by stakeholders.
- The mean of paragraph #11 “Services produced are identified and recognized when the organization prepare and executes the budget.” equals 4.26 (85.28%), Test-value =6.86, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the

hypothesized value 3. One concludes that the respondents agreed to this paragraph. This paragraph is similar with paragraph # 10 and #4 and emphasis that output measure is widely used in budget preparation within health NGOs.

- The mean of paragraph #12 “The organization is compare its performance level with prior years.” equals 4.13 (82.64%), Test-value =6.50, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. To conclude that the respondents agreed to this paragraph.
- The mean of paragraph #13 “Non financial information is being merged when budget prepared and executed” equals 3.67 (73.33%), Test-value =4.16, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. The paragraph clarifies that non financial information does attached with budget process but with less degree with other measurements.
- The mean of the filed “Performance Measurements” equals 4.06 (81.22%), Test-value = 6.87, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. Based on overall test for Performance Measurements One can conclude

that at 0.05 level of significance, the performance measurements is significantly exist.

One can say, performance measurements that used among health NGOs plays an important role to apply performance-based budget among health NGOs.

The result is clarifies the usage of performance measurements among health NGOs, it also indicates the input and output measures is used more degree than outcome, efficiency, quality, and benchmarking measurements, the result agrees with (Joyce and Sieg, 2000), (Willoughby, 2002), (Melkers and Willoughby, 2005) and (Waweru, Porporato, Hoque 2006) about performance measurements. According to (Joyce and Sieg, 2000), two-thirds of the states have outcome measures and some of states use measure to set targets for performance, (Willoughby, 2002) indicated that majority of states use performance measurement and she indicate the appearance of output or outcome measures in the early stages of the budgeting cycle, in agency budget requests, in the executive budget report and in annual operating budgets. (Melkers and Willoughby,2005) conclude their study by the pervasive of using performance measures by local departments, (Waweru , Porporato , Hoque 2006) indicated that efficiency and effectiveness measures were used, also, performance measures were mostly used by program managers and the high percentage of respondents reported that output measures were mainly reported to internal management.

Result of the hypothesis:

The existence of performance measurements is significantly significant at 0.05 level among health NGOs.

Table 6.2 Means and Test values for the field “Performance Measurements”

	Paragraph	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The budget is classified as items and distributed on activity and programs.	4.28	85.66	6.44	0.000*	2
2.	The human and financial inputs are allocated to programs and activities precisely in the organization budget.	4.25	84.91	6.71	0.000*	4
3.	When the inputs are allocated and distributed on the budget item, the resources are justified according to the services which will be achieved.	4.15	83.02	6.42	0.000*	5
4.	When preparing the budget, the output is determined regarding the number, type, or quality of services delivery.	4.06	81.13	6.13	0.000*	7
5.	The outcome or the result of service delivery is shown in the budget when it is being prepared.	3.89	77.74	5.00	0.000*	10
6.	The organization is justifying its budgets by desired outcome on citizen life.	3.86	77.25	5.31	0.000*	12
7.	The cost per unit output or outcome is measured and periodically compared to determine the efficiency of organization.	3.98	79.62	6.05	0.000*	8
8.	Improving Service quality is installed for example average time of service delivery per unit.	3.91	78.11	5.59	0.000*	9
9.	Surveys are being made on citizens to measure service satisfaction.	3.89	77.74	5.12	0.000*	10
10.	Activities size and amounts are being measured when delivered to citizens and considered as performance indicator.	4.45	89.06	7.07	0.000*	1

Table 6.2 Continue
Means and Test values for the field “Performance Measurements”

11.	Services produced are identified and recognized when the organization prepare and executes the budget.	4.26	85.28	6.86	0.000*	3
12.	The organization is comparing its performance level with prior years.	4.13	82.64	6.50	0.000*	6
13.	Non financial information is being merged when budget prepared and executed.	3.67	73.33	4.16	0.000*	13
	Performance Measurements	4.06	81.22	6.87	0.000*	

* The mean is significantly different from 3

6.2.3 Hypothesis #3:

The existence of financial system is significantly significant at 0.05 level among health NGOs.

Table (6.3) shows the following results:

- The mean of paragraph #3 “Computerized accounting programs are being used in accounting transaction” equals 4.62 (92.45%), Test-value = 7.00, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. The paragraph indicate the high using the Computerized programs, Also, the staff that works in health NGOs have the capacity and ability to activate these programs.

- The mean of paragraphs #1 and #2 “financial system is written and clarifying financial policies and procedures.” And “International and local Financial standards are being took into consideration when financial statements and reports prepared.” Equals the same mean 4.55 (90.94%), Test-value = 6.80, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. These paragraphs point out to the necessary of financial system to health organization, and indicate the high capabilities of such organizations.
- The mean of paragraph #7 “Financial system is suitable for develop performance measurements.” equals 4.17 (83.40%), Test-value = 6.00, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. This indicates that new cost accounting system will be preferred to count the performance measurements.
- The mean of paragraph #8 “managers can be able to deploy financial resources more effectively to achieve their results” equals 4.15 (83.08%), Test-value = 6.42, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized

value 3. In conclusion, the respondents agreed to this paragraph. This indicate to somewhat managers are able to put their financial resources on the right way to reach to the desired result.

- The mean of the filed “Financial System” equals 4.35 (87.08%), Test-value = 7.07, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. Based on overall test for financial system One can conclude that at 0.05 level of significance, the financial system is significantly exist.

One can say, financial system that used among health NGOs plays an important role to apply performance-based budget among health NGOs.

- The result points out the high existence of financial system and emphasize on the necessity of developing cost accounting system. However, this agrees with (Joyce and Sieg, 2000). According to him, almost half of the states have made significant progress in developing cost accounting systems. And agrees with (Rose,2003, p22) when he said "In order to have increased accountability for results, and to measure the output, outcome respectively, agencies in Australia have had developed sound information and accounting systems which take account of efficiency and effectiveness measures".

Result of the hypothesis:

The existence of financial system is significantly significant at 0.05 level among health NGOs.

Table 6.3 Means and Test values for the field “Financial System”

	Paragraph	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	Financial system is written and clarifying financial policies and procedures.	4.55	90.94	6.80	0.000*	2
2.	International and local Financial standards are being taken into consideration when financial statements and reports prepared.	4.55	90.94	6.80	0.000*	2
3.	Computerized accounting programs are being used in accounting transaction.	4.62	92.45	7.00	0.000*	1
4.	The produced Services can be calculated through accounting and managerial programs.	4.38	87.55	6.57	0.000*	4
5.	The employees of finance have capabilities and efficiency to compute the different performance indicators.	4.21	84.15	6.34	0.000*	5
6.	Performance information and measurements are being disclosed in financial reports.	4.21	84.15	6.18	0.000*	5
7.	Financial system is suitable for develop performance measurements.	4.17	83.40	6.00	0.000*	7
8.	Managers can be able to deploy financial resources more effectively to achieve their results.	4.15	83.08	6.42	0.000*	8
	Financial System	4.35	87.08	7.07	0.000*	

* The mean is significantly different from 3

6.2.4 Hypothesis #4:

The existence of managerial system is significantly significant at 0.05 level among health NGOs.

Table (6.4) shows the following results:

- The mean of paragraph #1 “Managerial system is written and clarifying managerial policies and procedures” equals 4.53 (90.57%), Test-value = 6.72, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph.
- The mean of paragraph #8 “Divisions and departments issues reports clarifies the activity’s size and performance.” equals 4.34 (86.79%), Test-value = 6.78, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph.
- The mean of paragraph #9 “Organization Policies are being directed and adjusted with performance indicators.” equals 4.11 (82.26%), Test-value = 6.50, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. The paragraph show to somewhat the performance indicators is used in order to adjust Organization Policies.

- The mean of paragraph #5 “Organization Reports which rose to donors attached with performance indicators.” equals 4.21 (84.15%), Test-value = 6.65, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. The paragraph show to somewhat the raised reports is attached with performance indicators.
- The mean of paragraph #14 “Vary managerial reports are issued accompanied with performance indicators.” equals 3.98 (79.62%), Test-value = 6.13, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. The paragraph shows the varying reports are lightly issued to parties although it issue to donors more than others.
- The mean of paragraph #10 “Incentives and penalties is applied to encourage an organization employee to arrive to desired goals” equals 3.89 (77.74%), Test-value = 5.71, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph.
- The mean of paragraph #15 “The Incentives are granted when reaching to goals and results according to organization vision.” equals 3.91

(78.11%), Test-value = 5.79, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph.

The two previously paragraphs is moderately applied because the lack of Incentives and penalties system that encourage the employee motivation to achieve the results.

- The mean of paragraph #16 “The managers of programs and their staff could be subjected to accountability at the end of project to determine the extent to which goals and vision’s organization are verifying.” equals 4.06 (81.13%), Test-value = 6.71, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. This result indicate that the accountability conception is somewhat applied in health NGOs, although the recommendation to apply the conception to reach the desired result, Diamond said that new system of accountability and budget incentives need to be improved.
- The mean of the filed “Managerial System” equals 4.16 (83.24%), Test-value = 7.07, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. Based on overall test for managerial system One can conclude that at 0.05 level of significance, the managerial system is significantly factor.

One can say, managerial system that used among health NGOs will establish for new phase, the focus on results will play an important role to apply performance-based budget among health NGOs.

- The result emphasizes on management practices that support the direction of managing for results, the result agrees with Schick when he said only when they manage for results will managers be able to budget for results. (Schick, 2007, p129).

Result of the hypothesis:

The existence of managerial system is significantly significant at 0.05 level among health NGOs.

Table 6.4 Means and Test values for the field “Managerial System”

	Paragraph	Mean	Proportional mean	Test value	P-value (Sig.)	Rank
1.	Managerial system is written and is clarifying managerial policies and procedures.	4.53	90.57	6.72	0.000*	1
2.	The organization works in a clear structure.	4.43	88.68	6.65	0.000*	2
3.	The management is interested in modern management systems to measure its performance and to determine the arrival of desired goals.	4.25	84.91	6.78	0.000*	4
4.	The management staff is aware and understands performance indicators.	4.15	83.02	6.59	0.000*	9

Table 6.4 Continue
Means and Test values for the field “Managerial System”

5.	Reports which rose to donors attached with performance indicators.	4.21	84.15	6.65	0.000*	6
6.	Mechanisms and action plans are being installed and periodically revised to ensure the arrival of goals.	4.25	84.91	6.86	0.000*	4
7.	The managerial system in management process focuses on achievement.	4.19	83.77	6.36	0.000*	7
8.	Divisions and departments issues reports clarify the activity’s size and performance.	4.34	86.79	6.78	0.000*	3
9.	Organization Policies are being directed and adjusted with performance indicators.	4.11	82.26	6.50	0.000*	11
10.	Incentives and penalties is applied to encourage an organization employee to arrive to desired goals	3.89	77.74	5.71	0.000*	16
11.	The results of activities and programs are evaluated periodically.	4.17	83.46	6.78	0.000*	8
12.	The organization evaluates its employee performance periodically to determine the degree of participation in arrival of desired goals.	4.02	80.38	6.05	0.000*	13
13.	Managerial system is flexible and developable according to work necessities.	4.12	82.31	6.34	0.000*	10
14.	Varied managerial reports are issued accompanied with performance indicators	3.98	79.62	6.13	0.000*	14
15.	The Incentives are granted when reaching to goals and results according to organization vision.	3.91	78.11	5.79	0.000*	15

Table 6.4 Continue
Means and Test values for the field “Managerial System”

16	The managers of programs and their staff could be subjected to accountability at the end of project to determine the extent to which goals and vision’s organization are verifying.	4.06	81.13	6.71	0.000*	12
	Managerial System	4.16	83.24	7.07	0.000*	

* The mean is significantly different from 3

6.2.5 Hypothesis #5:

The existence of funding level is significantly significant at 0.05 level among health NGOs.

Table (6.5) shows the following results:

- The mean of paragraph #9 “Programs and projects affected by the prevailing economic situation at country” equals 4.29 (85.77%), Test-value = 6.57, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. We conclude that the respondents agreed to this paragraph. This indicates that emergency situation may hurt the main programs and maybe new programs and projects are emerged without planning or without strategy work.
- The mean of paragraph #5 “There is simplicity in mobilizing the financial recourses to execute the activities and programs” equals 3.31 (66.15%), Test-value = 2.17, and P-value = 0.030 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the

mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. But the result is assure that there is no simplicity in fund raising process to emerge new programs.

- The mean of paragraph #3 “The organization depends on local donors like members, citizen, and government to fund its activities and programs.” equals 3.33 (66.54%), Test-value = 2.11, and P-value = 0.035 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. But it is very clear that health NGOs barely depend on local donors.
- The mean of paragraph #8 “Estimated budget exists according to strategic plan and periodically justified.” equals 4.00 (80.00%), Test-value = 5.54, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. The result indicates that budget allocation is made according to organization strategy.
- The mean of paragraph #1 “The organization prepares its own projects according to its vision and goals rather than donors desire.” equals 3.91

(78.11%), Test-value = 4.96, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. One concludes that the respondents agreed to this paragraph. This is assuring the desire to collect fund according to organization strategy but donor's desire may form new attitudes that hurt the strategy.

- The mean of the field "Funding Level" equals 3.89 (77.77%), Test-value = 6.59, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. The field mean is the lowest of overall fields which indicate that mobilizing the resources are difficult which lead to difficulties in execution new programs.

Based on overall test for funding level One can conclude that at 0.05 level of significance, the funding level is significantly element.

One can say, funding level that used among health NGOs plays an important role to apply performance-based budget among health NGOs.

The result shows how difficult to set targets to hit without sufficient resources to reach the desired results, the result agree with (Harrison, 2003.p13) when he comments on the failure of PBB pilot programs that applied in USA in 1994 "To the extent possible, implement PBB during a sustained economic expansion to ensure sufficient resources are available to fund the effort" and agrees with (Young, 2003.p22) who said Adequate resources (sufficient staff, equipment, and funds) are essential to PBB success.

Table 6.5 Means and Test values for the field “Funding Level”

	Paragraph	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The organization prepares its own projects according to its vision and goals rather than donors desire.	3.91	78.11	4.96	0.000*	8
2.	The organization depends on work frames and justification in project proposal not on appeal basis.	4.15	83.02	6.36	0.000*	2
3.	The organization depends on local donors like members, citizen, and government to fund its activities and programs.	3.33	66.54	2.11	0.035*	10
4.	The organization depends on itself efforts to fund its activities and programs.	3.69	73.85	3.86	0.000*	9
5.	There is simplicity in mobilizing the financial recourses to execute the activities and programs.	3.31	66.15	2.17	0.030*	11
6.	The Organization has strategy to collect donation and funding the projects.	3.94	78.85	5.58	0.000*	6
7.	The organization has donors archive which funds the organization in the same field.	4.10	81.92	6.18	0.000*	4
8.	Estimated budget exists according to strategic plan and periodically justified.	4.00	80.00	5.54	0.000*	5
9.	Programs and projects affected by the prevailing economic situation at country.	4.29	85.77	6.57	0.000*	1

Table 6.5 Continue
Means and Test values for the field “Funding Level”

10.	The activities and programs are directed according to economic situation.	4.12	82.31	6.00	0.000*	3
11.	Funding of programs and activities inflow according to prevailing economic situation at the country.	3.92	78.46	5.37	0.000*	7
	Funding Level	3.89	77.77	6.59	0.000*	

* The mean is significantly different from 3

6.2.6 Hypothesis #6:

There is a significant difference between the respondents toward Performance-based budget due to personal trends.

This hypothesis can be split into the following sub-hypotheses.

5-a There is a significant difference among the respondents toward Performance-based budget due to Years of Experience of NGO

Table (6.6) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward these fields due to Years of Experience. One concludes that the NGO trait Years of Experience has no effect on these fields.

The Years of Experience of NGO has no tangible effect on responding to overall fields, although the experience of NGOs was varying, the NGOs are responding to questionnaire in the same way without differences between experience time of NGOs.

Table 6.6 Kruskal-Wallis test of the fields and their p-values for Years of Experience

No	Field	Test Value	df	Sig.
1.	Strategic plan	2.493	5	0.778
2.	Performance Measurements	1.976	5	0.852
3.	Financial System	3.904	5	0.563
4.	Managerial System	7.078	5	0.215
5.	Funding Level	6.558	5	0.256
6.	Total paragraphs of the questionnaire	3.596	5	0.609

Table (6.7) shows the mean rank for each field for Years of Experience

Table 6.7 Mean rank for each field of Years of Experience

No	Fields	Mean Rank					
		Less than 5 years	5 – Less than 10 years	11 – Less than 15 years	16 – Less than 20 years	21 – Less than 25 years	26 years and higher
1.	Strategic plan	30.50	20.94	24.67	30.14	27.50	26.93
2.	Performance Measurements	30.71	29.67	26.50	28.07	18.00	24.07
3.	Financial System	27.21	22.89	18.83	29.43	37.75	28.93
4.	Managerial System	25.43	30.00	22.00	34.25	11.50	23.23
5.	Funding Level	29.93	35.28	18.08	28.46	31.25	22.30
6.	Total paragraphs of the questionnaire	27.50	29.39	18.50	31.50	26.50	24.60

5-b There is a significant difference among the respondents toward Performance-based budget due to Number of staff

Table (6.8) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for the fields “Performance Measurements, Managerial System, Funding Level and Total paragraphs of the questionnaire”, then there is significant difference in respondents' answers toward these fields due to Number of staff. One concludes that the NGO trait Number of staff has an effect on these fields.

Table (6.8) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for the other fields, then there is insignificant difference in respondents' answers toward these fields due to Number of staff. One concludes that the NGO trait Number of staff has no effect on these fields.

The NGOs number of staff has tangible effect on responding to the fields “Performance Measurements, Managerial System, Funding Level and Total paragraphs of the questionnaire”.

On the other hand it has no tangible effect on responding to other fields due to NGOs number of staff, although the NGOs number of staff is contrasting, the NGOs are responding to questionnaire in the same way without differences between NGOs number of staff.

Table 6.8 Kruskal-Wallis test of the fields and their p-values for Number of staff

No	Field	Test Value	df	Sig.
1.	Strategic plan	4.504	5	0.479
2.	Performance Measurements	15.029	5	0.010*
3.	Financial System	3.882	5	0.567
4.	Managerial System	11.415	5	0.044*
5.	Funding Level	14.914	5	0.011*
6.	Total paragraphs of the questionnaire	14.597	5	0.012*

* The mean difference is significant a 0,05 level

Table (6.9) shows the mean rank for each field for Number of staff for the fields “Performance Measurements, Managerial System, and Funding Level”, the mean rank for number of staff "21-30" is higher than other number of staff groups.

As it very clear in the table below the number of staff has no effect in responding to the field's strategic plan and financial system because the mean rank of staff groups is relatively close. But the other field the mean rank is relatively contrasted.

Table 6.9 Mean rank for each field of Number of staff

No	Fields	Mean Rank					
		1-10	11-20	21-30	31-50	51-100	101 and higher
1.	Strategic plan	22.75	34.36	33.50	21.19	24.50	27.08
2.	Performance Measurements	28.75	37.43	39.58	32.06	22.31	18.00
3.	Financial System	20.83	33.21	34.42	25.06	26.56	25.22
4.	Managerial System	17.33	36.00	38.08	29.06	30.25	20.67
5.	Funding Level	23.42	36.79	37.33	31.00	11.19	26.19
6.	Total paragraphs of the questionnaire	18.75	40.50	40.33	28.25	22.94	21.31

5-c There is a significant difference among the respondents toward Performance-based budget due to Average annual budget for last two years (2008, 2009)

Table (6.10) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward these fields due to average annual budget for last two years (2008,2009). One concludes that the NGO trait Average annual budget for last two years (2008, 2009) has no effect on these fields.

The average annual budget has no tangible effect in responding to overall fields, and the varying NGOs budget responded to questionnaire in the same way approximately.

Table 6.10 Kruskal-Wallis test of the fields and their p-values for Average annual budget for last two years (2008,2009)

No	Field	Test Value	df	Sig.
1.	Strategic plan	2.990	4	0.560
2.	Performance Measurements	8.117	4	0.087
3.	Financial System	6.043	4	0.196
4.	Managerial System	4.665	4	0.323
5.	Funding Level	7.455	4	0.114
6.	Total paragraphs of the questionnaire	2.910	4	0.573

Table (6.11) shows the mean rank for each field for average annual budget for last two years (2008, 2009)

Table 6.11 Mean rank for each field of Average annual budget for last two years (2008,2009)

No	Fields	Mean Rank				
		Less than 50,000	50,000-100,000	101,000 - 500,000	501,000 - 1,000,000	1000000 and higher
1.	Strategic plan	29.90	19.06	24.50	25.54	28.76
2.	Performance Measurements	35.30	23.75	33.00	29.54	20.08
3.	Financial System	22.35	19.56	40.33	31.00	26.58
4.	Managerial System	32.35	20.06	21.00	30.71	24.34
5.	Funding Level	34.60	23.13	38.17	19.79	26.05
6.	Total paragraphs of the questionnaire	31.45	21.06	32.33	27.58	24.58

5-d There is a significant difference among the respondents toward Performance-based budget due to Job title

Table (6.12) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward these fields due to Job title. One concludes that the personal traits Job title has no effect on these fields.

The respondents' job title has no tangible effect on responding to overall fields, the varying job title could not affect the responding to questionnaire.

Table 6.12 Kruskal-Wallis test of the fields and their p-values for Job title

No	Field	Test Value	df	Sig.
1.	Strategic plan	3.853	4	0.426
2.	Performance Measurements	1.925	4	0.749
3.	Financial System	5.012	4	0.286
4.	Managerial System	3.065	4	0.547
5.	Funding Level	2.964	4	0.564
6.	Total paragraphs of the questionnaire	5.423	4	0.247

Table (6.13) shows the mean rank for each field for Job title

Table 6.13 Mean rank for each field of Job title

No	Fields	Mean Rank				
		Executive Manager	General manager	Financial manager	Monitoring manager	Programs manager
1.	Strategic plan	20.82	15.07	18.40	31.00	22.83
2.	Performance Measurements	20.75	18.21	17.90	29.25	20.75
3.	Financial System	17.96	18.00	22.70	35.00	17.58
4.	Managerial System	17.61	18.14	20.25	29.75	24.08
5.	Funding Level	18.11	18.29	19.50	20.25	27.17
6.	Total paragraphs of the questionnaire	18.36	15.43	19.75	33.50	25.08

5-e There is a significant difference among the respondents toward Performance-based budget due to Personal Years of Experience

Table (6.14) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for the field “Funding Level”, then there is significant difference in respondents' answers toward this field due to Personal Years of Experience. One concludes that the personal trait Years of Experience has an effect on this field.

Table (6.14) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for the other fields, then there is insignificant difference in respondents' answers toward these fields due to Personal Years of

Experience. One concludes that the personal trait Years of Experience has no effect on these fields.

The Personal Years of Experience has tangible effect on responding to the field "Funding level". On the other hand, it has no tangible effect on responding to other fields, although the personal experience was varying, the respondents are responding to questionnaire in the same way without differences between their period of experience.

Table 6.14 Kruskal-Wallis test of the fields and their p-values for Years of Experience

No	Field	Test Value	df	Sig.
1.	Strategic plan	2.412	2	0.299
2.	Performance Measurements	0.298	2	0.862
3.	Financial System	0.331	2	0.847
4.	Managerial System	0.831	2	0.660
5.	Funding Level	8.496	2	0.014*
6.	Total paragraphs of the questionnaire	2.537	2	0.281

* The mean difference is significant a 0,05 level

Table (6.15) shows the mean rank for each field for Personal Years of Experience For the field "Funding Level", the mean rank for Years of Experience respondents "5 - Less than 11 years" is higher than other Years of Experience groups.

As it clear in the table below, the Personal Years of Experience has no effect on responding to all fields except funding level field which clarifies the contrast among the age groups of personal experience.

Table 6.15 Mean rank for each field of Personal Years of Experience

No	Fields	Mean Rank		
		Less than 5	5 - Less than 11 years	11 and higher
1.	Strategic plan	34.17	24.92	25.96
2.	Performance Measurements	28.89	27.64	25.90
3.	Financial System	26.17	28.69	26.12
4.	Managerial System	29.44	28.58	25.06
5.	Funding Level	32.50	33.31	20.73
6.	Total paragraphs of the questionnaire	30.33	30.31	23.56

5-f There is a significant difference among the respondents toward Performance-based budget due to Type of work

Table (6.16) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field. Then, there is insignificant difference in respondents' answers toward these fields due to type of work. One concludes that the personal traits Type of work have no effect on these fields.

The respondents work type has no tangible effect on responding to overall fields, although Type of work among respondent is varied managerially, financially, and technically, the respondents are responding to questionnaire in the same way without differences between the respondents work.

Table 6.16 Kruskal-Wallis test of the fields and their p-values for Type of work

No	Field	Test Value	df	Sig.
1.	Strategic plan	0.629	2	0.730
2.	Performance Measurements	0.924	2	0.630
3.	Financial System	2.358	2	0.308
4.	Managerial System	0.560	2	0.756
5.	Funding Level	0.351	2	0.839
6.	Total paragraphs of the questionnaire	0.033	2	0.984

Table (6.17) shows the mean rank for each field for Type of work

Table 6.17 Mean rank for each field of Type of work

No	Fields	Mean Rank		
		Management	Financial	Technical
1.	Strategic plan	23.95	20.20	22.63
2.	Performance Measurements	23.18	20.50	27.88
3.	Financial System	21.10	28.30	24.50
4.	Managerial System	23.31	20.75	26.25
5.	Funding Level	23.56	22.65	19.50
6.	Total paragraphs of the questionnaire	22.87	22.95	24.13

5-g There is a significant difference among the respondents toward Performance-based budget due to age

Table (6.18) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for the field “Funding Level”, then there is significant difference in respondents' answers toward these fields due to age. We conclude that the personal trait age has an effect on this field

Table (6.18) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for the other fields, then there is insignificant difference in respondents' answers toward these fields due to age. One concludes that the personal traits age has no effect on these fields.

The age of respondents has tangible effect on responding to the field “Funding level”. On the other hand, it has no tangible effect on responding to other fields, although the age of respondents is varied, the respondents are responding to other fields in the same way without differences between their ages.

Table 6.18 Kruskal-Wallis test of the fields and their p-values for age

No	Field	Test Value	df	Sig.
7.	Strategic plan	7.770	3	0.051
8.	Performance Measurements	4.614	3	0.202
9.	Financial System	3.689	3	0.297
10.	Managerial System	4.351	3	0.226
11.	Funding Level	11.592	3	0.009*
12.	Total paragraphs of the questionnaire	4.242	3	0.236

* The mean difference is significant a 0,05 level

Table (6.19) shows the mean rank for each field for age

For the field "Funding Level", the mean rank for age respondents "30 - Less than 40" is higher than other age groups.

Table 6.19 Mean rank for each field of age

No	Fields	Mean Rank			
		Less than 30	30 - Less than 40	40 - Less than 50	50 and older
1.	Strategic plan	28.25	34.28	18.75	25.96
2.	Performance Measurements	23.60	30.00	21.14	32.23
3.	Financial System	24.70	28.09	21.96	32.85
4.	Managerial System	29.35	31.59	20.25	26.81
5.	Funding Level	32.35	32.44	28.36	14.73
6.	Total paragraphs of the questionnaire	27.80	32.75	21.39	25.35

5-h There is a significant difference among the respondents toward Performance-based budget due to Education

Table (6.20) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward these fields due to Education. One concludes that the personal traits Education have no effect on these fields.

The Education has no tangible effect on responding to overall fields, although the education within respondent is varied managerially, financially, and technically, the respondents are responding to questionnaire in the same way without differences between the education.

Table 6.20 Kruskal-Wallis test of the fields and their p-values for Education

No	Field	Test Value	df	Sig.
1.	Strategic plan	0.730	2	0.694
2.	Performance Measurements	1.779	2	0.411
3.	Financial System	1.239	2	0.538
4.	Managerial System	1.092	2	0.579
5.	Funding Level	0.343	2	0.842
6.	Total paragraphs of the questionnaire	0.730	2	0.694

Table (6.21) shows the mean rank for each field for Education

Table 6.21 Mean rank for each field of Education

No	Fields	Mean Rank		
		Diploma	Bachelor degree	Post graduate
1.	Strategic plan	36.00	26.44	26.98
2.	Performance Measurements	41.25	26.52	26.33
3.	Financial System	16.00	26.71	28.55
4.	Managerial System	30.50	28.58	24.20
5.	Funding Level	33.25	26.76	26.75
6.	Total paragraphs of the questionnaire	34.75	27.48	25.48

CHAPTER 7

CONCLUSIONS, RECOMMENDATIONS AND FUTURE RESEARCH

7.1 Introduction

This chapter provides the main conclusions which were obtained from the hypothesis testing and data analysis, In addition, the chapter will present the recommendation that emerged from the study, and then future research will be listed.

7.2 Conclusions

The study clarifies that health NGOs uses the Presentational performance budgeting which simply means that performance information is presented in budget documents. The information can refer to targets, or results, and is included as background information for accountability and dialogue with donors. The performance information is not intended to play a role in decision making and does not do so.

The following is a summary of the conclusions that could be drawn from the study:

1. Strategic planning

The strategic planning is widespread among Palestinian health NGOs, the overall Proportional mean is 90.17 which assures the pervasive of such planning in health NGOs at Gaza. The highest mean in the strategic planning field was “the organization attempts to achieve its mission statement to serve its community”. The Proportional mean for this sub function was 96.23%. Yet. The lowest Proportional mean was “The organization evaluates and adjusts its plans and work strategy periodically

according to the achievements of its goals.” the Proportional mean for this sub function was 84.15%, although it is the lowest in the field, it still high. This points out that the organizations have strategic plan and they periodically evaluate and adjust their plans in order to achieve their goals.

2. Performance measurements

Health NGOs at Gaza have good performance measurements. The overall Proportional mean was 81.22%, the following highlights the main findings:-

- Input measures are used and widespread among health NGOs.
- Output measures are widely used in the budget preparation and as performance indicator.
- Outcome measures are used but with less degree than the previous measurements.
- Efficiency measures is used but with less degree than input and output measures.
- Service quality measures are also used but with less degree than input and output measures.
- Quality/Customer Satisfaction Measures are also used but not as the first two measures.
- Benchmarking measures are used to compare the same organization performance at differences time of periods.
- Non financial information are rarely attached to budget preparation and execution.

3. Financial system

Financial system is highly applied, the overall proportional mean is 87.08%, but it needs more concern regarding the development of new cost accounting system that might count the performance measurements. Yet, the lowest Proportional mean was “managers can be able to deploy financial resources more effectively to achieve their results” equals 83.08%, although it is the lowest paragraph in the field, it is still high. This points out that the managers have the capacity to deploy their financial resources effectively.

4. Managerial system

The study showed that the Managerial system is very good and applied within Palestinian health NGOs, The overall proportional mean was 83.24%, The highest mean in the managerial system field was” Managerial system is written and is clarifying managerial policies and procedures”, The Proportional mean for this sub function was 90.57%, In addition, the lowest mean in the managerial system field was “Incentives and penalties is applied to encourage an organization employee to arrive to desired goals”, This paragraph has the lowest mean in the managerial field with proportional mean 78.11%, which triggers the need to concentrate more and improve the incentives and penalties system.

5. Funding level

The result of funding level field shows how difficult is the fund raising process in health NGOs, The overall proportional mean was 77.77%, The highest mean of the field was “Programs and projects affected by the prevailing economic situation at country” with proportional mean 85.77% which emphasize on the availability of sufficient resources. Yet, the lowest mean was “There is simplicity in mobilizing the financial recourses to execute the activities and programs” with weak proportional mean 66.15%, this result is verifies that there is no simplicity in fund raising process.

7.3 Recommendation

In order to improve budgeting method and to link input resources to results, health NGOs must commitment to the following:

- Develop valid strategic plan and apply it via health NGOs.
- Strategic plan should be revised and be under evaluation on periodically basis and determine the means to reach the goals.

- Linking input resources with outcome or impact on citizen to verify the organization mission statement.
- Develop and Activation the performance measurements within budget preparation, execution and auditing.
- Health NGOs should make more concentration on Output, Outcome, Efficiency, Service quality, and Benchmarking measurements.
- The necessity to develop new accounting systems that could be able to trace the expenditure and determine if it involves the result measure or not in formulation.
- The managers should conduct their organization on concept managing for results.
- Health NGOs should prepare its own projects according to its vision not donors' desire.
- The organizations should depend on their efforts in making their fund to execute the activities and programs.

7.4 Future Research

The researcher would like to point out that more efforts and more research are needed in the area of budgeting and management in the Arab World in general and in Palestine in particular. The lack in research efforts that had been devoted to this topic, it causes the regression in Arab world in the field of budgeting and management. The following are suggestions for future research ideas:

- Propose a model for Using Performance-Based Budgeting in Palestinian National Authority.
- Utility of performance measurements in Education Sector.
- Move away in public spending from cash accounting basis to accrual accounting basis, the advantages and disadvantages.
- Toward Managing for results to achieve the sustainable Development.
- Utilization of Results-based budget in international Organization.

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ANNEXES

Annex (1) – English Questionnaire

Dear Managers:

The purpose of this questionnaire is to determine the ways that performance measurements are used and reported in health NGOs, and to understand the effect of using such measurements and indicators.

The survey aims the managers of health NGOs who are mobilizing resources and writing projects to their organizations. Also the survey is interested in measuring their programs, activities performance, and the effect of link it with financial Resources.

Your respective is extremely valuable to our understanding of the performance measurements process with note that all responses will be kept confidential.

We appreciate your cooperation

**The researcher
Rami M. El khateeb**

Please refer to the following definitions for types of performance measures when responding to this survey:

Inputs – Measures of financial and non-financial resources that are applied when providing services. (For example, the amount spent on equipments maintenance or the amount spent for patient treatment);

Process/Activity – Measures of regular activities conducted within the organization. (For example, the number of applications processed);

Outputs – Measures of the quantity of services provided or the quantity of service that meets a certain quality requirement. (For example, the number of patient that recovered);

Outcomes – Measures of the results that occur, at least in part, because of services provided. This may include initial, intermediate, or long-term outcomes. (For example, the death reduction due to malnourished Childs);

Cost/Efficiency– Measures of the resources used, such as the cost per unit of output or outcome. (For example, the cost per patient treatment or the cost per an hour treatment);

Explanatory – Relating to factors other than the services being provided that may have affected the reported performance. (For example, the percentage of unemployment rate in the community);

Benchmarks – The comparison of performance data to other similar entities or timeframes

Quality/Customer Satisfaction – Measures of the quality of the outputs/outcomes and/or assessment of the quality of the service/ program by stakeholders. (For example, the extent to which customers are satisfied with an aspect of service delivery).

First: NGO and personal Data

Please put (X) on the appropriate answer:

NGO data:

NGO Name: _____

- 2- Years of Experience:
- Less than 5 years.
 - 5 – Less than 10 years.
 - 11 – Less than 15 years.
 - 16 – Less than 20 years.
 - 21 – Less than 25 years.
 - 26 years and higher.

- 3- Number of staff:
- Less than 10 members
 - 11 – Less than 20
 - 21 – Less than 30 members
 - 31 – Less than 50
 - 51 – Less than 100
 - 101 and higher

4- Average annual budget for last two years (2008, 2009)

- Less than \$50,000
- \$5,000 – \$100,000
- \$101,000 – \$500,000
- \$501,000 – \$1000,000
- \$1000,000 and higher.

Personal data:

- 5- Job title: Executive Manager general manager financial manager
 Quality assurance manager monitoring manager Reports manager
 Programs manager others

- 6- Years of Experience:
- Less than 5 years.
 - 6 –10 years .
 - 11 years and higher.

7- Type of work: Management Financial Technical

8- Age in years: Less than 30 years 30 – 40 41-50
 Older than 50- years

9- Education: High school or less Diploma Bachelor degree
 Post graduate

Here categories of questions please put (X) at front of what do you think appropriate for you.

Second: strategic plan

No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1-	The organization works with clearer vision.					
2-	The organization attempts to achieve its mission statement to serve its community.					
3-	The organization has clear goals and it attempt to achieve them.					
4-	The activities and executive programs are executed according to determinative goals.					
5-	The organization prepares strategic and executive plans to work within.					
6-	Action plan exists and it clarifies the organization trends.					
7-	The organization prepares its budget according to desired projects and programs.					
8-	The organization set the executive activities and programs according to its vision and goals.					
9-	The organization evaluates and adjusts its plans and work strategy periodically according to the achievements of its goals.					

Third: Performance Measurements

No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
10-	The budget is classified as items and distributed on activity and programs.					
11-	The human and financial inputs are allocated to programs and activities precisely in the organization budget.					
12-	When the inputs are allocated and distributed on the budget item, the resources are justified according to the services which will be achieved.					
13-	When preparing the budget, the output is determined regarding the number, type, or quality of services delivery.					
14-	The outcome or the result of service delivery is shown in the budget when it is being prepared.					
15-	The organization is justifying its budgets by desired outcome on citizen life.					
16-	The cost per unit output or outcome is measured and periodically compared to determine the efficiency of organization.					
17-	Improving Service quality is installed for example average time of service delivery per unit.					
18-	Surveys are being made on citizens to measure service satisfaction.					
19-	Activities size and amounts are being measured when delivered to citizens and considered as performance indicator for example					
20-	Services produced are identified and recognized when the organization prepare and executes the budget.					
21-	The organization compares its performance level with prior years.					
22-	The organization compares its performance level with other organizations working in the same field.					
23-	Non-financial information is being merged when budget prepared and executed.					

Fourth: Financial system

No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
24-	Financial system is written and clarifying financial policies and procedures.					
25-	International and local Financial standards are being taken into consideration when financial statements and reports prepared.					
26-	Computerized accounting programs are being used in accounting transaction.					
27-	The produced Services can be calculated through accounting and managerial programs.					
28-	The employees of finance have capabilities and efficiency to compute the different performance indicators.					
29-	Performance information and measurements are being disclosed in financial reports.					
30-	Financial system is suitable for develop performance measurements.					
31-	Managers can be able to deploy financial resources more effectively to achieve their results.					

Fifth: Managerial System

No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
32-	Managerial system is written and clarifying managerial policies and procedures.					
33-	The organization works in a clear structure.					
34-	The management is interested in modern management systems to measure its performance and to determine the arrival of desired goals.					
35-	The management staff is aware and understands performance indicators.					
36-	Reports which rose to donors attached with performance indicators.					
37-	Mechanisms and action plans are being installed and periodically revised to ensure the arrival of goals.					
38-	The managerial system in management process focuses on achievement.					
39-	Divisions and departments issues reports					

	clarify the activity's size and performance.					
40-	Organization Policies are being directed and adjusted with performance indicators.					
41-	The organization compares the results of its work with other organizations that are working at the same field.					
42-	Incentives and penalties is applied to encourage an organization employee to arrive to desired goals.					
43-	The results of activities and programs are evaluated periodically.					
44-	The organization evaluates its employee performance periodically to determine the degree of participation in arrival of desired goals.					
45-	Managerial system is flexible and developable according to work necessities.					
46-	Varied managerial reports are issued accompanied with performance indicators.					
47-	The Incentives are granted when reaching to goals and results according to organization vision.					
48-	The managers of programs and their staff could be subjected to accountability at the end of project to determine the extent to which goals and vision's organization are verifying.					

sixth: Funding level

No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
49-	The organization prepares its own projects according to its vision and goals rather than donors desire.					
50-	The organization depends on work frames and justification in project proposal not on appeal basis.					
51-	Resources are being mobilized according to organization goals and vision not on donor's vision.					
52-	The organization depends on local donors like members, citizen, and government to fund its activities and programs.					

53-	The organization depends on international donors in funding its activities and programs.					
54-	The organization depends on itself efforts to fund its activities and programs.					
55-	There is simplicity in mobilizing the financial recourses to execute the activities and programs.					
56-	The Organization has strategy to collect donation and funding the projects.					
57-	The organization has donors archive which funds the organization in the same field.					
58-	Estimated budget exists according to strategic plan and periodically justified.					
59-	Programs and projects are affected by the prevailing economic situation at the country.					
60-	The activities and programs are directed according to economic situation.					
61-	Funding of programs and activities inflow according to prevailing economic situation at the country.					

Annex (2) –Arabic Questionnaire

أخي الكريم..أختي الكريمة

السلام عليكم ورحمة الله وبركاته,,,

إن الغرض الأساسي لهذا الاستبيان هو تحديد الطرق التي تستخدم بها مقاييس الأداء ويتم الإفصاح عنها في المؤسسات الصحية غير الحكومية, وذلك من أجل فهم نتيجة وتأثير استخدام هذه المقاييس والمؤشرات.

البحث يستهدف بشكل أساسي مدراء المؤسسات ممن يقومون بتجنيد الموارد وكتابة المشاريع وتنفيذها لمؤسساتهم ويهتمون بقياس أداء البرامج والأنشطة وأثر ربطها بالموارد المالية, إن وجهة نظرك قيمة جدا لفهم عملية استخدام مقاييس الأداء مع ملاحظة أن كل الردود ستستخدم للأغراض العلمية.

شاكرين لكم تعاونكم معنا

الباحث

رامي محمود الخطيب

من فضلك يرجى الإطلاع على التعريفات التالية لمقاييس الأداء عند استجابتك لهذا الاستبيان:

<p>المدخلات Inputs: ويقاس الموارد المالية وغير المالية التي يتم أخذها في الاعتبار عند تقديم الخدمة مثال: المبالغ المصروفة على صيانة التجهيزات أو المبالغ المصروفة على معالجة المرضى .</p> <p>مؤشر النشاط Process/Activity: ويعبر عن حجم ومقدار أنشطة الإدارة أو المؤسسة مثال: عدد طلبات المرضى الذين تقدموا للعلاج خلال فترة زمنية معينة".</p> <p>المخرجات Output: ويقاس عدد أو كمية الخدمات المقدمة أو المنتجة أو المنجزة مثال " عدد المرضى الذين تم معالجتهم (تقديم الخدمات الصحية لهم) ."</p> <p>مؤشر الأثر النهائي Outcome or results: ويقاس مقدار تأثير تقديم الخدمة على الجمهور مثال: " انخفاض نسبة الأطفال الذين يموتون بسبب سوء التغذية"</p> <p>مؤشر الكفاءة Efficiency : يقاس حجم الموارد المستخدمة لكل وحدة وتقاس بالساعة لكل وحدة أو التكلفة لانجاز وحدة واحدة مثال " عدد ساعات العمل لمعالجة المريض أو تكلفة معالجة المريض".</p> <p>التفسيرات Explanatory : والتي يفصح فيها عن العوامل الغير متعلقة بعمل المؤسسة التي ربما أثرت في عرض الأداء مثال: " معدل البطالة في المجتمع"</p> <p>مؤشر المعايير Benchmark: وهي عملية مقارنة أداء المؤسسة بنفس أدائها لفترات زمنية مختلفة أو مقارنتها مع مؤسسات تعمل بنفس المجال .</p> <p>معايير الجودة Quality /Customer satisfaction: وتعبر عن جودة تقديم الخدمة مثال: مدى رضا العملاء عن تقديم الخدمة.</p>
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يرجى وضع علامة X أمام الإجابة المناسبة:

معلومات المؤسسة:

1- إسم المؤسسة _____

- 2- سنوات الخبرة : أقل من خمس سنوات من 6-10 سنوات من 11-15 سنة
 من 16-20 سنة من 21-25 سنة من 26 فأكثر
- 3- عدد الموظفين أقل من 10 11 – 20 21-30
 31 – 50 51-100 101 فأكثر
- 4- متوسط الموازنة السنوية للعامين السابقين (2008, 2009) أقل من 50,000 دولار
 50,000 – 100,000 101,000 – 500,000 501,000 – 1000,000 1000,000 فأكثر .

معلومات شخصية:

- 5- المسمى الوظيفي : المدير التنفيذي المدير العام المدير المالي
 مسئول ضمان الجودة مدير رقابة المشاريع مدير التقارير
 مدير البرامج أخرى حدد.....
- 6- سنوات الخبرة : أقل من خمس سنوات من 6-10 سنوات من 11 فأكثر
- 7- نوع العمل إداري مالي فني
- 8- العمر أقل من 30 30 - 40 41-50
 أكبر من 50

9- التعليم ثانوية أو أقل دبلوم جامعة
دراسات عليا

فيما يلي مجموعة من الأسئلة يرجى وضع إشارة X أمام الإجابة المناسبة من وجهة نظرك

ثانياً: الخطة الإستراتيجية

م.	الأسئلة	موافق ب	موافق	محايد	غير موافق	غير موافق بشدة
1-	لدى المؤسسة رؤية واضحة تعمل في إطارها.					
2-	تسعى المؤسسة لتحقيق رسالتها في خدمة المجتمع.					
3-	هناك أهداف واضحة تسعى المؤسسة لتحقيقها.					
4-	يتم تنفيذ الأنشطة والبرامج التنفيذية وفق الأهداف المحددة.					
5-	تعد المؤسسة خطط إستراتيجية وتنفيذية للعمل وفقها.					
6-	توجد خطة عمل توضح توجهات المؤسسة.					
7-	تعد المؤسسة موازاناتها وفق البرامج المشاريع المراد تحقيقها.					
8-	تضع المؤسسة الأنشطة والبرامج التي تنفذها وفق رؤيتها وأهدافها.					
9-	تقيم وتعديل المؤسسة من خططها وإستراتيجيتها عملها ومدى تحقيقها للأهداف دورياً.					

ثالثاً: مقياس الأداء

م.	الأسئلة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
10-	تصنف الموازنة على شكل بنود وتوزع على الأنشطة والبرامج للمؤسسة.					
11-	تخصص المدخلات Inputs المالية والبشرية على البرامج والأنشطة بدقة في موازنة المؤسسة.					
12-	عند تخصيص وتوزيع المدخلات Inputs على بنود الموازنة تبرر الموارد المالية في الموازنة على أساس الخدمات التي سوف تنجز.					
13-	عند إعداد الموازنة يتم تحديد مخرجات الموازنة سواء الخدمة المقدمة أو عددها أو نوعها أو جودتها.					
14-	يحدد الأثر النهائي أو نتيجة تقديم الخدمة على حياة الجمهور عند وضع الموازنة.					
15-	تبرر المؤسسة موازاناتها بأثر التغيير المتوقع حدوثه على حياة					

					الجمهور.
					16- تقاس الموارد المالية الداخلة في إنتاج وحدة واحدة من الخدمة المقدمة وتُقارن دورياً لتحديد كفاءة المؤسسة في إنتاج الخدمة.
					17- يتم وضع معايير تحسين جودة الخدمة مثل متوسط وقت تقديم الخدمة لكل وحدة .
					18- يتم عمل البحوث الميدانية على الجمهور لقياس مدى رضا الجمهور عند تقديم الخدمة.
					19- يقاس حجم وعدد الأنشطة التي تقدم للجمهور وتعتبر مؤشر عن أداء المؤسسة مثل عدد المرضى أو عدد الذين استفادوا من تقديم خدمة معينة خلال فترة زمنية معينة .
					20- تحدد وتعرف المؤسسة الخدمات المقدمة للجمهور عند إعداد وتنفيذ الموازنة.
					21- تقارن المؤسسة مستوى أداءها بفترات زمنية سابقة.
					22- تقارن المؤسسة مستوى أداءها بمؤسسات أخرى تعمل في نفس مجالها.
					23- تدمج بعض المعلومات غير المالية في الموازنة عند إعداد وتنفيذ الموازنة.

ثالثاً: النظام المالي

م.	الأسئلة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
24-	هناك نظام مالي مكتوب يوضح السياسات والإجراءات المالية.					
25-	يؤخذ في الاعتبار معايير المحاسبة الدولية والمحلية عند إعداد القوائم والتقارير المالية .					
26-	تستخدم البرامج المحوسبة في المحاسبة عن العمليات المالية في المؤسسة .					
27-	يمكن احتساب تكاليف الخدمات المقدمة من خلال البرامج المحاسبية والإدارية.					
28-	موظفي المالية لديهم القدرة والكفاءة المهنية لاحتساب مؤشرات الأداء المختلفة.					
29-	يتم الإفصاح في التقارير المالية عن معلومات ومؤشرات الأداء.					
30-	النظام المالي في المؤسسة ملائم لتطوير مؤشرات الأداء.					
31-	يستطيع المدراء توزيع المخصصات المالية بكفاءة لإنجاز الأهداف الموضوعية .					

رابعاً : النظام الإداري

م.	الأسئلة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
32-	هناك نظام إداري مكتوب يوضح السياسات والإجراءات الإدارية المتبعة من قبل إدارة المؤسسة.					
33-	تعمل المؤسسة في ظل هيكلية واضحة .					
34-	تهتم الإدارة بالنظم الإدارية الحديثة من ناحية قياس أداء المؤسسة ومدى وصولها لأهدافها المنشودة .					
35-	هناك فهم ووعي وإدراك لمؤشرات قياس الأداء من قبل الإدارة.					
36-	التقارير التي ترفع للممولين ترفق بمؤشرات الأداء والتي توضح أداء المؤسسة.					
37-	يتم وضع آليات وخطط عمل ومراجعتها دورياً للتأكد من الوصول للأهداف الموضوعية.					
38-	يركز النظام الإداري في عملية الإدارة على الإنجاز في العمل.					
39-	يصدر عن دوائر وأقسام المؤسسة تقارير تبين حجم الأنشطة وأدائها.					
40-	يسترشد بمؤشرات الأداء في توجيه وتعديل سياسات المؤسسة .					
41-	تقارن إدارة المؤسسة نتائج برامجها مع مؤسسات تعمل بنفس مجالها .					
42-	يطبق نظام الحوافز والعقوبات على موظفي المؤسسة للتشجيع للوصول للأهداف المنشودة .					
43-	يتم تقييم نتائج الأنشطة والبرامج بشكل دوري.					
44-	تقيم المؤسسة أداء موظفيها دورياً لتحديد مدى مشاركتهم في الوصول للأهداف المنشودة.					
45-	النظام الإداري مرن وقابل للتطوير وفق مقتضيات العمل.					
46-	تصدر تقارير إدارية متنوعة بمؤشرات الأداء.					
47-	تمنح المؤسسة حوافز للعاملين في حال تحقيق أهدافها ونتائجها وفق رؤيتها .					
48-	يخضع مدراء البرامج والموظفين للمساءلة في نهاية كل مشروع لتقييم مدى تحقق أهداف ورؤية المؤسسة.					

خامساً : التمويل

م.	الأسئلة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
49-	تعد المؤسسة مشاريعها وفق رؤيتها وأهدافها الخاصة وليس حسب رغبة الممولين.					
50-	تعتمد المؤسسة في كتابة مقترحات المشاريع على نماذج عمل وضوابط وليس على أساس المناشدات .					
51-	يتم تجنيد الموارد وفق أهداف ورؤية المؤسسة وليس على أساس رؤية الممول.					
52-	تعتمد المؤسسة على متبرعين داخليين كالأعضاء والمواطنين أو الجهات الحكومية لتمويل أنشطتها وبرامجها.					
53-	تعتمد المؤسسة على متبرعين خارجيين في تمويل أنشطتها وبرامجها.					
54-	تعتمد المؤسسة على جهودها الذاتية في تمويل أنشطتها وبرامجها.					
55-	هناك سهولة في تجنيد الموارد المالية لتنفيذ الأنشطة والبرامج.					
56-	المؤسسة لديها إستراتيجية لجمع التبرعات وتمويل المشاريع.					
57-	المؤسسة لديها قواعد بيانات بالمولين الذين يمولون المؤسسة بنفس المجال.					
58-	وجود موازنة تقديرية وفق تنفيذ الخطة الإستراتيجية ويتم تعديلها دورياً.					
59-	يتأثر تنفيذ البرامج والمشاريع بالوضع الاقتصادي السائد في البلاد.					
60-	يتم توجيه الأنشطة والبرامج حسب الوضع الاقتصادي القائم .					
61-	يتدفق التمويل للبرامج والأنشطة وفق الوضع الاقتصادي السائد في البلاد.					