

Облікове розкриття фінансових коригувань та бюджетів відповідальності у фінансовій звітності

Бухгалтерський облік фінансових відносин відіграє важливу роль у фінансовій стабільності країни. Успішний бюджетний процес, який включає фінансові коригування та бюджети відповідальності, має великий вплив на економічну продуктивність країни, оскільки на основі даних бухгалтерського обліку забезпечує огляд складових фінансово-бюджетної стабільності. Мета даної статті – показати розкриття фінансових коригувань та бюджетів відповідальності у фінансовій звітності на обох рівнях фінансово-бюджетного управління (міністерство / муніципалітет) з позиції важливості бухгалтерського обліку та підзвітності. Дані для дослідження зібрані методом анкетування відповідно до практики ОЕСР, МВФ та Світового банку. Анкета була складена за шкалами Лікерта і роздана на керівних рівнях у державі Косово. Дані анкети підтверджені шляхом долучення перевірених фінансових звітів для кожної змінної, взятої для дослідження. Обробка даних виконана в програмі SPSS & R, що дало можливість обґрунтувати висновки та рекомендації щодо всіх змінних на обох рівнях управління. Для обґрунтування результатів дослідження автор використав економетричні тести та різні види аналізу, зокрема: описовий аналіз, тестування двох зразків, аналіз тестування залежної змінної. Дослідження показує, що роль бухгалтерського обліку (державно-фінансового) з особливим акцентом на фінансових коригуваннях та бюджетах відповідальності у підготовці фінансової звітності стає все більш важливою з огляду на необхідність підвищення економічного та фінансової стабільності країни в умовах економічно-фінансових криз. Для проведення своєчасних фінансових коригувань необхідне відповідальне ведення бухгалтерського обліку, а також аналіз фінансової звітності на всіх рівнях управління. При цьому виявлено, що існують відмінності між очікуваннями щодо бюджетних обов'язків (підзвітності) та їх реалізацією на практиці.

Ключові слова: бухгалтерський облік (державно-фінансовий), фінансові коригування, бюджети відповідальності, звіт про доходи та витрати, фінансова звітність, економетричні моделі.

DOI [https://doi.org/10.33146/2307-9878-2021-1\(91\)-61-69](https://doi.org/10.33146/2307-9878-2021-1(91)-61-69)

Accounting, Reforms and Budget Responsibilities in the Financial Statements

The role of accounting (public-financial) with special emphasis on financial reforms and budgetary responsibility for the preparation of financial statements is increasingly becoming necessary and important to increase the economic development and financial stability of the country during governance. In order to have financial reforms, there must be responsibility in public accounting as well as in the analysis and financial reporting by the responsible staff at both levels. It is therefore important to have this cooperation in all areas of policy making, defining the responsibilities of the two levels. The purpose of this article is to show about accounting, reforms and budget responsibilities in the financial statements at both levels of financial-budgetary governance. The research was conducted through a questionnaire according to the practices of the OECD, the IMF and the World Bank. The questionnaire was compiled according to Likert scales and was distributed at the governing levels to the state of Kosovo, its completion was done accurately by attaching audited financial reports for each variable taken for study. The data for all variables were processed via the SPSS and R program, which allowed to draw conclusions and recommendations for all variables at both levels. To achieve the results, econometric tests and analyzes were used, such as: descriptive analysis, testing of two samples, analysis of testing of a dependent variable, etc. Based on the results, it is emphasized that there should be reforms for the safeguarding of public money, fair allocation of expenditures, securing of funds and that the responsibilities at both levels differ from the expectations that should occur in the accounting of financial statements.

Keywords: accounting (public-financial), financial reforms, budget responsibilities, income and expenditure statement, financial reporting, econometric models.

* Енкеледа ЛУЛАЈ, лектор в Університеті «Хаджі Зека» (м. Печ, Косово), доктор наук.

** Dr. Sc. Enkeleda LULAJ, University “Haxhi Zeka”, Peja, Kosovo. Email: enkeleda.lulaj@unhz.eu, enkeledalulaj@gmail.com ORCID 0000-0002-5325-3015

1. Introduction

Looking closely at whether there should be financial reform and whether there are differences in budgetary responsibilities at both levels of government aroused my curiosity to approach such research, always based on the financial statements and financial-budget reports of audited. The primary legislation in Kosovo's jurisdiction that regulates financial management and reporting in relation to the Kosovobudget is the law on public financial management and accountability, together with the administrative financial guidelines or Financial Rules that are subsequently issued (Lulaj, 2019).

Therefore, finance and accounting have an important role in the financial stability of a country. A successful budget process, which includes financial reforms and budget responsibility, has a great impact on the economic productivity of the country, because it provides an overview of the economic structure or financial-budgetary stability (Demekas, Herderschee & Jacobs, 2001). On a global scale, public finances are the preoccupation of all governments from different countries regardless of their political, economic system and the level or degree of their economic development (Lulaj & Muthmainnah, 2021).

2. Literature review

Accounting (public and financial), financial reforms and budgetary responsibilities are closely linked to public finances. Public finance is a historical category, the examination of which is placed within analytical frameworks based on efficiency, effectiveness, equity and economy (Bailey, 2004). As a key part and element in public finance is the public budget, in which case its drafters at both levels should have financial-budgetary responsibilities. Therefore, the budget is increasingly recognized as the main tool for managing the economy (Adongo & Jagongo, 2013). According to (Schick, 1966), (Tyler & Willand, 1997), budget responsibilities and financial reforms must adhere to control, planning and managerial improvements. It is very difficult to look at a governing body without a budget (Fleischman & Marquette, 1986), for this reason, to have budgetary responsibility there must be accountability (balance) for income and expenses. In the case when revenues are equal to expenditures, we have a balanced budget, while when revenues and expenditures are not equal, we have an unbalanced budget (Rosen, 2003). Reform in the appropriation of funds for various programs and activities are important for those responsible for drafting financial-budgetary policies (Khan, 2019). Financial-budgetary requirements are different from one level of government to another (Wallace, 1972). The budget is more than just distributing the small resources between x and y, this is about meeting the contradictory needs of a society, bringing compromises in the political market through adaptations additional on budget allocation (Lulaj, 2019).

3. Linking accounting to financial reforms, budget responsibilities and financial statements in the budget system

The amount allowed by law, which is made available to be spent for a program, sub-program, specific purpose of a budget organization is known as the budget of the Republic of Kosovo (Ministria e Financave, 2016). Accounting for financial statements includes the budget balance and the budget organization.

3.1. Budget balance (BB)

The budget balance represents the amount of unexpected commitments, non-committed allocations, unallocated budget appropriations and any revenue greater than the amount of expenditures as well as unexpected commitments carried over from the previous year. Kosovo's treasury and fund balance sheet, as a preliminary overview includes: unspent balances of central government own source revenues, unspent balances of Municipal own source revenues, unspent balances of designated donor grants, the balance of trust funds held budget organizations, funds to be held as retained savings, and unspent loans to designated entities (Law No. 03 / L-048 on Public Financial Management and Accountability, 2008). State budget is one of the most important economic instruments, to have Government of Kosovo in available (Lulaj, 2015).

3.2. Budget organizations (BO)

Budget organizations include the following categories: Ministries, Municipalities or Agencies and Institutions which receive budget appropriations from the Kosovo Fund (Ministry of Finance, 2016).

4. Budget accounting and preparation of financial-budget statements for financial reforms and budgetary responsibilities

The Law on Public Financial Management and Accountability defines the duties and responsibilities for collecting public money, spending public money, safeguarding public property, the manner of financial and operational reporting system, accounting system, budgetary responsibilities for public authorities and enterprises public in Kosovo (Ministry of Finance, 2016, fq.1-68).

5. Accounting and reporting policy for the financial statements

Accounting and reporting policy for financial-budget statements includes: basis of preparation, accounting policy, reporting entity (Lulaj, 2019).

Basis of preparation. The financial statements are prepared in accordance with the LPFMA (03 / L-048) and IPSASs based on cash.

Accounting policy. The basis of accounting and reporting during the budget process and at the end of the budget year according to the LPFMA, includes the information presented in the financial statements for cash receipts and payments as well as the cash flow statement. Money management is performed through the Treasury department, which monitors revenues and expenditures,

forecasts cash, budget execution and debt management (Ministry of Finance, 2013). The accounting policies must be applied consistently throughout the period.

Reporting Entity on Financial Statements. Financial statements represent the financial activity of the Government of Kosovo as specified in the Law on Public Financial Management and Accountability (03 / L-048). The reporting entity for financial statements includes all budget organizations such as: Ministries, Agencies, Municipalities. Authorization date for the financial statements – starts on March 31 of the calendar year. Reporting currency and reporting amounts are in units `000 (thousand) and Euro (€) (Lulaj, 2019).

5.1. Expenditures accounting for financial reforms and budgetary responsibilities

The realization of budget expenditures begins with their recognition, is followed by the issuance of authorization by the holders for the payment of expenditures, which is carried out through expenditure orders (mandates) and closes with their payment. Recognition of expenditure during the accounting period of budget execution in the treasury branches is considered performed at the moment of preparation of the legal act or the performance of the material fact, from which derive the obligations of public institutions (Bogdani, 2006). A budget organization may transfer up to 5% of a budget allocation to another allocation during its fiscal year without the approval of the Ministry of Finance (Ministry of Finance, 2017). The maximum amount set by law for budget allocations, which is made available for expenditure by BOs, at least twice a year should be reviewed and reported on budget changes and adjustments that occur during the fiscal year (Ministry of Finance, 2010, fq.1-67).

5.1.1. Accounting for budget expenditures immediately paid from treasury

Transaction registration:

Debit: current expenses of the public entity

Credit: the treasury account of the public entity

5.1.2. Accounting for budgetary expenses after being recognized

Accounting of budget expenditures which are paid from the treasury account of the public entity after being recognized (after the obligation to third parties has arisen).

Transaction registration:

Debit: current expenses of the public entity

Credit: creditors

When payment is made:

Debit: creditors

Credit: public entity treasury account

5.1.3. Capital expenditure accounting

Debit: capital expenditures of the public entity (purchase of equipment)

Credit: long-term suppliers

5.2. Income accounting for financial reforms and budgetary responsibilities

In order to function, the state must have the financial means, for which it must have financial responsibility. For funding or supplementation of the needs of society, public revenues are of great importance as monetary and material assets that are added to the assets of central and local bodies during the budget period (Colin, 1945). Budget revenues are subject to budget planning; therefore, they are included in the budget law for each fiscal year. Budget revenues are recognized in accounting in the period in which they become measurable and realizable. Thus, the principle of ascertained rights or current accounting applies to budget revenues (Bogdani, 2006).

5.2.1. Income accounting according to immediate collection

Tax revenues which are paid by taxpayers in due time, are accounted for in the treasury branches based on the actions performed by the public entity.

Debit: treasury account of tax unit X,

Credit: tax revenue of the tax unit X

Debit of the account “treasury account of tax unit X” indicates the addition of cash to the treasury account of the relevant tax authority. Crediting of the account “tax revenue of the tax unit” shows the realization of budget revenues from tax collection for the respective year.

5.2.2. Revenue collection-emergence of rights

Debit of the account “tax revenue rights” indicates the emergence of the tax unit rights to collect revenue during the following year. Credit of the account “tax income of the tax unit” reflects the tax income according to the current accounting basis.

Debit: tax revenue rights

Credit: tax revenue of the tax unit

All own source revenues from Central and Municipal level organizations are deposited in the Kosovo fund and recorded in KFMIS in accordance with the financial rules of the treasury (Ministry of Finance, 2017). At both levels, the commitment report for prepaid expenditures has been completed, for which the Payment Order must be completed regularly in accordance with the financial rules of the treasury and recorded in KFMIS (Law No. 03 / L-048 on Public Financial Management and Accountability, 2008).

6. Methodology

The research was conducted through a questionnaire according to the practices of the OECD, the IMF and the World Bank regarding financial reforms and budgetary responsibilities to accounting, finance and financial analysis. The questionnaire was compiled according to Likert scales and was distributed at the governing levels to the state of Kosovo, its completion was done accurately by attaching audited financial reports for each variable taken for study. Then, through the SPSS and R program, the data for all variables were processed, coming to the conclusion and recommendations for all variables at both levels. In the research was used the test

of two dependent samples, where through this test is made the comparison of the averages by measuring the expectations of groups such as: level of education, financial experience, relevant qualification, as an essential indicator for financial reforms and budget responsibilities. Paired-samples, T statistics (mean, standard deviation, standard error) and Paired-samples correlation (mean, standard deviation, 95% confidence interval, significance) were used during this research

(Hameli & Kalayci, 2017). Then the test for a variable was used, through this test the distinction of responsibilities is made to both central and local levels using statistics for one variable (number of municipalities, mean, standard deviation, standard error), test for one variable (number of Municipalities, test t, degrees of freedom, significance, difference in average, 95% confidence interval).

Hypotheses

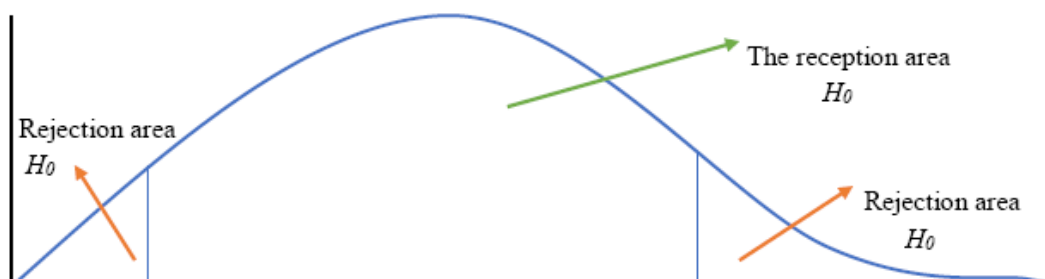
H_0 : There is no difference between the means of the two groups

H_A : There is a difference between the means of the two groups

Or

$H_0: \mu = \mu_0$

$H_A: \mu \neq \mu_0$



Hypothesis assumptions:

- The data are intervals or proportional,
- Data should follow the normal distribution (-1 & +1),
- Group of variances must be equal (variances can be different up to four, but not more),
- Number of groups: 2 independent groups using the T test.

The T test is used to investigate whether there is a difference between the two groups of samples in terms of means, it also determines whether there is a significant difference between the average of one group and the average of the other group.

7. Analysis of the findings and discussion

7.1. Descriptive statistics for financial reforms and budgetary responsibilities at government levels.

Table 1

Frequency for the position of the respondent

Description	Frequency	Percent
Director of Budget and Finance	14	36.8
Chief Financial Officer	4	10.5
Head of Budget and Finance Sector	3	7.9
Accounting and finance officer	14	36.8
Head of Budget Planning	3	7.9
Total	38	100.0

The table 1 presents descriptive statistics on the position of respondents such as: director of budget and finance, chief financial officer, head of budget and finance sector, accounting and finance officer, head of budget planning. In 38 Municipalities, the positions with the highest percentage and the same are: Director of Budget and Finance and Accounting and Finance Officer 36.6% (14 Municipalities), who have given answers about financial reforms and budget responsibilities in their Municipalities.

Frequency for experience in financial management

Description	Frequency	Percent
0-05 years	5	13.2
5-10 years	10	26.3
10-15 years	8	21.1
15-20 years	6	15.8
20-25 years	2	5.3
25-30 years	4	10.5
Over 30 years	3	7.9
Total	38	100.0

The table 2 presents descriptive statistics for experience in financial management from: 0-5 years to over 30 years of experience. In 38 Municipalities, the experience in financial management with the highest percentage is the experience of 5-10 years or 26.3% in 10 Municipalities out of a total of 38.

Table 3a

Tukey test for experience in financial management

Tukey test- Experience in financial management				
Test	Position of the respondent	N	Subset for alpha = 0.05	
			1	2
Tukey HSD	Head of Budget Planning	3	2.3333	
	Accounting and finance officer	14	2.6429	
	Director of Budget and Finance	14	3.2857	3.2857
	Chief Financial Officer	4	5.0000	5.0000
	Head of Budget and Finance Sector	3		6.0000
	Sig.			.090

Table 3b

Anova for experience in financial management

ANOVA						
		The sum of the squares	Df.	The average of the squares	F	Sig.
Experience in Financial Management	Between Groups	42.104	4	10.526	4.302	.007
	Within Groups	80.738	33	2.447		
	Total	122.842	37			
Relevant qualification	Between Groups	.547	4	.137	.304	.873
	Within Groups	14.821	33	.449		
	Total	15.368	37			
Level of education	Between Groups	.756	4	.189	1.122	.363
	Within Groups	5.560	33	.168		
	Total	6.316	37			

Tables 3a and 3b present Tukey test and Anova for increased financial reforms and budget responsibilities. Tukey test for experience in financial management according to accounting and financial analysis is divided into two groups: in the first group are included (Chief of Budget Planning, Accounting and Finance Officer, Director of Budget and Finance and Chief Financial Officer), while the head of the budget and finance sector has left the group, because it shows different characteristics from the former. In the second group, the head of budget planning and the accounting and finance officer left. According to descriptive analysis at 5% significance, financial reforms and budgetary responsibility in financial management show: chief

financial officer (.5000) and head of budget and finance sector (.6000). Anova points to the importance between groups for increasing financial reforms and budget responsibilities at the local level. The values of $F = 4.302, .304, 1.122$ at the 95% significance level show that the level of education does not affect the increase of financial reforms and budget responsibilities more than the experience in financial management and the respective qualification. Sig. ($P = .007, .873, .363 > 0.005$), which means that there is no big difference between the groups, but the experience in financial management realizes greater financial success (0.007), the level of education (.363) and finally the relevant qualification (.873).

7.2. Test of two dependent samples for budget responsibilities of two levels: Central and Municipal

Budget responsibilities for both levels (Central and Local) are presented in the table below.

Table 4

Budget responsibilities of government levels

Variables	Ministry		Municipality		Ministry-Municipality	
	Frequency	%	Frequency	%	Frequency	%
Drafting budget circulars	16	42.1	2	5.3	18	47.4
Development of macroeconomic / fiscal models	31	81.6	1	2.6	4	11.2
Drafting the budget proposal	7	18.4	9	23.7	20	52.6
Authorization of budget expenditures	2	5.3	25	65.8	7	18.4
Budget performance monitoring	6	15.8	8	21.1	22	57.9
Preparation of supplementary budget (additional)	5	13.2	9	23.7	22	57.9
Preparation of reports (monthly, quarterly, six-month, nine-month, annual)			27	71.1	8	21.1
Communication during the budget process (public, media)	1	2.6	24	63.2	11	28.9
Rules for the use of funds provided or reserves	20	52.6	3	7.9	8	21.1
Requirements for legal authorization for additional revenues or revenue reforms	14	38.8	8	21.1	14	36.8
Management and reporting in connection with extra-budgetary expenditure	10	26.3	7	18.4	12	31.6
Budget cycle time limit (budget process)	13	34.2	4	10.5	19	50.0
Governance policies for public spending	18	47.4	3	7.9	6	15.8
Governance policies for public incomes	19	50.0	6	15.8	6	15.8
Defining budget limits	24	63.2	4	10.5	8	21.1
Cooperation and conclusion of agreements during the budget process (planning-approval-implementation-closing of the budget year)	10	26.3	6	15.8	19	50.0
Authorization for collection of public incomes	4	10.5	19	50.0	12	31.6
Financial management and reporting of expenditures and incomes to the public	5	13.2	14	36.8	9	23.7
Financial reforms and budgetary responsibilities increase performance and accountability	5	13.2	11	28.9	17	44.7

The table 4 explains the descriptive statistics (frequency and percentage) from the questionnaire conducted in local government – Municipalities, for budgetary responsibilities of the two levels of government, Ministry and Municipalities (Central-Local) as follows:

- Drafting budget circulars – is the joint responsibility (Minister-Municipality) in 18 Municipalities, the responsibility of the Ministry in 16 Municipalities, the responsibility of the Municipality in 2, while 2 Municipalities did not respond from 38;

- Development of macroeconomic / fiscal models – is the responsibility of the Ministry in 31 Municipalities, joint responsibility in 4 Municipalities, responsibility of the Municipality in 1, while 2 Municipalities did not respond from 38;

- Drafting the budget proposal – is the joint responsibility in 20 Municipalities, the responsibility of

the Ministry in 7 Municipalities, the responsibility of the Municipality in 9, while 2 Municipalities did not respond from 38;

- Authorization of budget expenditures – is the joint responsibility in 7 Municipalities, the responsibility of the Ministry in 2 Municipalities, the responsibility of the Municipality in 25, while 4 Municipalities did not respond from 38;

- Budget performance monitoring – is the joint responsibility in 22 Municipalities, the responsibility of the Ministry in 6 Municipalities, the responsibility of the Municipality in 8, while 2 Municipalities did not respond from 38;

- Preparation of the supplementary budget (additional) – is the joint responsibility in 22 Municipalities, the responsibility of the Ministry in 9 Municipalities, the responsibility of the Municipality in 5, while 2 Municipalities did not respond from 38;

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- Preparation of reports (monthly, quarterly, semi-monthly, nine-monthly, annual) – is a joint responsibility in 8 Municipalities, the responsibility of the Municipality in 27, while 3 Municipalities did not respond from 38;
- Communication during the budget process (public, media) – is the joint responsibility in 11 Municipalities, the responsibility of the Ministry in 1 Municipality, the responsibility of the Municipality in 24, while 2 Municipalities did not respond from 38;
- Rules for the use of funds provided or reserves – is the joint responsibility in 8 Municipalities, the responsibility of the Ministry in 20 Municipalities, the responsibility of the Municipality in 3, while 7 Municipalities did not respond from 38;
- Requirements for legal authorization for additional revenues or revenue reforms – is the joint responsibility in 14 Municipalities, the responsibility of the Ministry in 14 Municipalities, the responsibility of the Municipality in 8, while 2 Municipalities did not respond from 38;
- Management and reporting in connection with extra-budgetary expenditure – is the joint responsibility in 12 Municipalities, the responsibility of the Ministry in 10 Municipalities, the responsibility of the Municipality in 7, while 9 Municipalities did not respond from 38;
- Budget cycle time limit (budget process) – is the joint responsibility in 19 Municipalities, the responsibility of the Ministry in 13 Municipalities, the responsibility of the Municipality in 4, while 2 Municipalities did not respond from 38;
- Governance policies for public spending – is the joint responsibility in 6 Municipalities, the responsibility of the Ministry in 18 Municipalities, the responsibility of the Municipality in 3, while 11 Municipalities did not respond from 38;

- Governance policies for public incomes – is the joint responsibility in 6 Municipalities, the responsibility of the Ministry in 19 Municipalities, the responsibility of the Municipality in 6, while 7 Municipalities did not respond from 38;
- Defining budget limits – is the joint responsibility in 8 Municipalities, the responsibility of the Ministry in 24 Municipalities, the responsibility of the Municipality in 4, while 2 Municipalities did not respond from 38;
- Cooperation and conclusion of agreements during the budget process (planning-approval-implementation-closing of the budget year) – is the joint responsibility in 19 Municipalities, the responsibility of the Ministry in 10 Municipalities, the responsibility of the Municipality in 6, while 3 Municipalities did not respond from 38;
- Authorization for collection of public incomes – is the joint responsibility in 12 Municipalities, the responsibility of the Ministry in 4 Municipalities, the responsibility of the Municipality in 19, while 3 Municipalities did not respond from 38;
- Financial management and reporting of expenditures and incomes to the public – is the joint responsibility in 9 Municipalities, the responsibility of the Ministry in 5 Municipalities, the responsibility of the Municipality in 14, while 10 Municipalities did not respond from 38;
- Financial reforms and budgetary responsibilities increase performance and accountability – is the joint responsibility in 17 Municipalities, the responsibility of the Ministry in 5 Municipalities, the responsibility of the Municipality in 11, while 5 Municipalities did not respond from 38.

Table 5a

Statistics and paired correlation

Statistics and paired correlation							
		Means	Nr. of Municipalities	Standard Deviation	Stand. Error average	Correlation	Sig.
Budget Responsibilities	Ministries	82.2426	38	13.0541	3.2757	.466	.004
	Municipalities	61.6931	38	11.5815	1.0316		

Table 5b

Paired Test

Paired Test								
Budget Responsibilities	Means	Standard Deviation	Stand. Error average.	95% Reliability interval		t	Df.	Sig. (2-Tailed)
				Low values	High values			
				Ministry - Municipality	.54954			

The tables 5a and 5b explain the statistics and Paired tests, according to the results of the analysis the average budget responsibility at the Ministry is 82%, while at the Municipality it is 61%. The Sig. (2- tailed) value in the 95% confidence interval is less than 0.05 ($p = .000$), which means that there is a significant difference between the responsibilities of the governing levels (Ministry-

Municipality). The correlation between them is 0.466, the Ministry has a higher percentage of budget responsibilities, but it does not mean that it will adhere to it more accurately during the budget process, or the Municipality that has a lower percentage of responsibilities to adhere to it or not more accurately, because the correlation between them is not high.

Test for one variable Ministry-Municipality

Budget Responsibilities	Test value = 90					
	t	Df.	Sig. (2-Tailed)	Mean difference	95% Reliability interval	
					Low values	High values
Ministries	5.582	35	.000	7.76	77.6202	.77.8946
Municipalities	5.582	35	.000	28.30	28.6202	.28.8946

The table 6 explains the tests based on only one variable. The average budget responsibility at the Ministry is 82.24% while the expectation is 90%. In this case there is a difference between the realized average and the expected one. The Sig. (2-Tailed) value at 95% confidence interval is less than 0.005 (0.0037). The average difference is 7.76 which means that for 7.76% the budget responsibility is smaller than expected

(90-82.2426 = 7.76%). The average budget responsibility in the Municipality is 61.69 while the expectation is 90%. In this case there is a difference between the realized average and the expected (desired). The Sig value (2-Tailed) with 95% reliability interval is less than 0.005 ($p = .001316$). The difference of the average is 28.30% which means that for 28.30% the budget responsibility is smaller than expected (90- 61,693 = 28.30).

7.3. Analysis of financial reforms

The accuracy of the financial reform model in the open-ended questions in the 38 municipalities interviewed was analyzed through descriptive analysis for each variable.

Table 7

Descriptive analysis of the most important financial reforms

Descriptive analysis of the most important financial reforms								
Variables / Analysis	Open information		Non-political appointments		Public accountability		Redesign of public finances system	
	YES	NO	YES	NO	YES	NO	YES	NO
Frequency in Municipalities	26	12	25	13	29	9	29	9
Total	38		38		38		38	
Percentage in Municipalities	68.4	31.6	65.8	34.2	76.3	23.7	76.3	23.7
Total	100%		100%		100%		100%	

The table 7 explains the descriptive analysis of the most important reforms at the municipal level. According to the frequency in 38 municipalities, financial accountability and redesign of the public finance system at a rate of 76.3% are of greater importance for financial reforms during governance, then is open information to all at a rate of 68.4%, political appointments should not happen if they are not adequate or they are not budget professional at a rate of 65.8%. If these findings are taken into account, financial reforms and budgetary responsibilities will improve and increase during governance.

8. Conclusions and recommendations

Accounting, finance, financial analysis is of great importance for financial reforms and budgetary responsibilities. The budget represents the skeleton of a country's economy, so budget experts at both levels must bring reforms and have budgetary responsibilities in order to have economic development and financial well-being or financial stability. According to the results of the analysis for budget responsibilities at both levels of government (Ministry-Municipality), the average of responsibilities at the Ministry is 82%, while at the Municipality it is 61%. The Sig. (2-tailed) value in the

95% confidence interval is less than 0.05 ($p = .000$), which means that there is a significant difference between the responsibilities of the governing levels (Ministry-Municipality). The correlation between them is 0.466. The Ministry has a higher percentage of budget responsibilities which does not mean that it will adhere to it more accurately during the budget process (according to 2-Tailed, realized 82.24% while the expected 90% which means that for 7.76% the budget responsibility is less than expected (90-82.2426=7.76%)), or the Municipality that has a lower percentage of responsibilities (according to 2-Tailed, realized 61.69% while the expected 90% that means that for 28.30% the budget responsibility is smaller than expected (90-61.693 = 28.30)). In the analysis of financial reforms there should be reforms mostly in public accountability and in the redesign of the public finance system in the amount of 76.3%, but also the other two indicators should not be left out, as: open information and no political appointments unless they are finance or accounting experts.

Finally, we emphasize that the null hypothesis ($H_0 \neq H_A$) is rejected and the alternative hypothesis (H_A) is accepted, which means that there are differences between expectations and realizations at both levels.

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