



China's Financial Performance Evaluation Indicators in the Perspective of Internationalization

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Abstract In the context of global internationalization, this paper analyzes the development process of financial indicator assessment in combination with China's existing development system. Under the current situation, many scholars have joined the relevant research to promote its development. Different countries in the world adopt different methods, which must be combined with national conditions and under the premise of the development of financial indicator background theory. Only when the key methods in performance appraisal are formulated and customized can we develop its unique advantages, form new ideas suitable for social development with different leading forces, and finally form a new situation under China's financial indicators

Keywords National conditions; Combination; Financial indicator

1. Introduction

in recent years, Although the legislature has played a more active role, But the actual impact clearly varies from countries to countries. The legislatures of some countries represented by the United States have a decisive impact on budget policy [1]. In contrast, the legislatures in countries such as Britain and France have less influence on the budget [2]. Specifically, the legislative supervision of the budget helps to enhance fiscal discipline and transparency [3]. To enhance public participation in fund management, and provide conditions for government accountability through the disclosure of performance targets [4]. In terms of its actual impact, the 2019 Budget Disclosure Survey by the International Association for the International Budget (IBP) shows that among the 117 countries surveyed, only 30 countries have good legislative supervision and the highest audit institutions, while most of the legislatures have limited budget implementation supervision [5]. Theoretically speaking, the attention to performance information in budget approval will help to improve the scientific nature of budget decisions and better ensure the efficiency and effect of public expenditure [6-7], However, because the legislature does not trust the performance information provided by the administrative department, the use of performance information in the actual decision-making process is still relatively limited [8]. thus, how does the legislature use performance information, Ensure the realization of the budget supervision function, To become an important proposition to be discussed.

2. Past development of financial performance evaluation indicators

2.1 Theoretical basis of financial budget indicators

Specifically, the "general classification" legislative mode, through a separate financial index management bill, to standardize the performance review, supervision and management content. The construction of the legal



framework is usually centered on the main laws, to adjust to the specific budget reform process. By making subsequent supplementary explanation or revision of some specific problems, or gradually introducing new technical methods, the stability of the legal framework is guaranteed, and form the legal pattern of "stars arch moon". Its advantage lies in, with a better system and sustainability, it can be more convenient and quickly to connect the financial index management regulations with other government reform measures or laws and regulations. The "total classification" legislative mode is actually completed step by step, and the basic framework of financial index management is set up, Then, timely, supplement or revise them according to the needs of the latest reforms, we will gradually improve the institutional framework based on core laws. in compliance with, The United States started the legalization process of financial index management with the 1993 Government Performance and Results Act (GPRA), and then in 2010 promulgated the Government Performance and Results Modernization Act (GPRAMA), which further proposed specific rules for the difficulties encountered in practice, and finally formed the basic legal framework composed of collaboration and decision-making procedures in budget approval, and the reporting system of "five-year strategic planning report", "annual performance planning report" and "annual performance report". Similarly, South Korea promulgated the Government Performance Evaluation Framework Act (FAGPE) in 2001 [9], initially establishing a legal framework for performance evaluation and requiring the regular submission of performance evaluation reports to the National Assembly. Later, in 2006, the new Government Performance Evaluation Framework Act was promulgated to establish a more comprehensive and systematic evaluation system, covering all government agencies, including the Government Performance Evaluation Committee (GPEC). Considering that the revision cycle of the law itself is often long, the form of guiding documents and regulations is adopted to further improve the system linear measure, it is also a more common practice [10]. in compliance with, The United States has adopted a series of guidelines report, Announcement and Memorandum, Strategic planning in the budget system, Regular review of the use of performance information, and timely standardization and improvement, These include Guidelines for the Supply and Use of Administrative Data for Statistics, Results Management: Overall Government Action needed to improve the use of performance information for institutional decisions, Federal Data Strategy — consistency Framework, etc [11].

The "divided and general type" legislative model essentially belongs to a gradual legislative process. Unlike the aforementioned "total fraction", "total" generally follows from fragmentation to systematization, From the extensive type to the integrated legislative path. Relevant norms of performance management are scattered among different laws, The legal framework consists of a complete set of regulations, To ain budgetary activities. In this mode, the change of the legal framework of financial index often reflects the current reform orientation and is highly synchronized with the reform of budget management. Take the typical country Britain as an example. Since the "Renner Review" in the 1970s and 1980s, financial index management has experienced a process of continuous development and improvement. The New Plan for Financial Management (EMI) lays the foundation for performance evaluation, The Local Government Law formally defines the "best performance evaluation system", The National Audit Law, the Central Government Output and Performance Evaluation Technical Guide, the Performance Audit Manual, the Local Audit and Accountability Act, and the Audit Practice Guidelines have established a stable performance audit system, The Office of Budget Responsibility and National Audit Act and the Budget Responsibility Charter define the responsibilities and its independence of the Office of Budget Responsibility (OBR), Finally, a set of financial index regulation system combining horizontal and vertical connection, evaluation and supervision has been formed. analogously, New Zealand's financial index legislation has also experienced the initial introduction of financial index marked by the National Sector Act in 1988 [12], The Public Finance Act of 1989 and the Financial Reporting Act of 1993 reflect that the focus of financial management responsibility changes from input to output, The Fiscal Responsibility Act of 1994 reflects the three development stages of performance accountability, Later, through the Budget Responsibility and National Audit Act, the Amendment to the Public Finance Act, the Budget Responsibility



Rules and the Public Finance Law Guide, Further refine and improve the responsibility of financial index supervision, Finally, a performance-oriented development under parliamentary supervision, A new budget management mechanism that focuses on medium-to-term and long-term strategic objectives.

2.2. Deficiency and development of existing financial budget assessment methods

Besides, Performance goals are also generally one of the key contents of performance reports. The development of performance objectives directly determines the strategic focus of the budget funds of the current year. Except for the review of the performance report, Through the intervention in the supervision of performance objectives, Forward the supervision of the legislature, It has also become national legislation Institutions is an important focus of strengthening financial index supervision. One side, In terms of the review of departmental performance objectives, As policy performance issues become more complex, Previous single-sector performance targets have been difficult to fully reflect the problem, More and more countries are starting to build a cross-sectoral performance target framework. in compliance with, The United States sets "interagency priority goals" and "agency priority goals" to achieve collaboration and accountability for cross-agency performance. Since 2018, the UK has gradually shifted from a single sector scheme to an outcome delivery plan [13], More emphasis is placed on cross - departmental priority strategic goals and implementation strategies in line with the sustainable development Goals. Under the new public services agreement, sectors need to form cross-sector goals, develop their own performance indicators, and report on sector performance achievement to Parliament [14].

On the other hand, With the deepening of the medium-term budget reform, The budget cycle has been expanded from annual to medium-term periods, A growing number of countries are being present in Parliament's performance target review, In addition to emphasizing the connection with the annual strategic objectives, We will also strengthen fiscal policy targets under the medium-term framework. in compliance with, Sweden uses the legislature's approval of medium -term financial planning as part of the regular budget process. Even if countries with no similar procedures exist, And mostly submitted to the legislature for decision-making reference. The OECD survey of budget practices and procedures showed that 28 of 33 OECD countries submitted to the legislature in 2007[15]. By 2012, almost all OECD countries (about 94%) were covered. These frameworks set financial targets for total annual expenditure and are also binding in setting annual budgets.

A lightly, sadly, Despite the long-term exploration of how to integrate performance information into the budget process, but in practice, the evaluation results are still difficult to really be used in budget decisions. In fact, it is also difficult to demonstrate the extent to which performance results have influenced budget decisions, this is also a key issue for the reform of national financial index management in the future [16].

3. The role of policy effectiveness in financial performance feasible way to strengthen the performance supervision of the people's Congress budget

3.1. Financial index supervision from standardization to legalization

The relationship between complexity and simplicity. Considering the content structure of the "financial index method", it should be simple rather than complicated. First, it is different from the general financial index management administrative regulations. The legislation should focus on the functional positioning of financial index supervision, provide legal compliance in terms of rights and responsibilities, Instead of a simple operation process, it is not appropriate for the specific budget activities to be too cumbersome. Secondly, the color of "management and control" should be diluted to fully reflect the "performance results" orientation. Especially in terms of performance supervision, we should not highlight too many restrictive and punitive regulations. Instead, based on the fundamental goal of "improving the quality and efficiency" of budget funds, pay more attention to the realization and accountability of performance goals in national strategy and economic and social development, and appropriately set up flexible and protective incentive provisions. Finally, it emphasizes the



unity of the value demands of the rule of law, joint governance and good governance and the actual national conditions. The "Financial index Law" should fully reflect the national strategic deployment, Key areas of performance supervision, The key issues to focus on the characterization.

Strengthen the NPC's oversight power in the performance-based management of its budgets. The people's Congress' monitoring and accountability of the government budget is constitutionality and authoritative, so it is undoubtedly logical to supervise the budget performance, The most authoritative and effective way. But it is subject to the limited means of operation, it is inevitable that the performance supervision force is inadequate, the problem of blur and weakening. From the perspective of the full cycle of budget performance management, Not only is the need to establish budgeting, Implement and supervise the whole process of the standard constraints, we need to embed the concept of performance, establish standards covering performance goals and standards, Performance evaluation and dynamic monitoring, The application of performance results and other specific links of accountability. We will ensure the authority of the NPC's supervision at the legal level, it is expected to further implement the incentive and restraint mechanism linking financial index with budget decisions.

Give due consideration to the current local practice process, promote reform, waste and release simultaneously, balance the practical needs of local governments and departments, and set up a scientific legislative framework. At present, the performance evaluation index system by industry, field and level has not yet formed a national unified standard, the local financial index management reform is uneven "cold" and "hot", the practice progress is different, and the legalization of financial index has certain heterogeneity. New ideas, new methods and new tools should be actively and steadily incorporated into the laws, We will accelerate the revision of laws and regulations that no longer meet the needs of supervision, abolish, The interpretation of the regulations should be made clearer [17].

3.2. The competent department should strengthen the promotion of financial norms

In terms of future reforms, the supervision of financial index is not only solely based on the NPC, the financial sector should be fully integrated, auditing department Judicial discipline inspection department, etc, Implement linkage supervision.

Considering from the source of performance information, it is necessary to form smooth information communication and sharing channels with financial departments and specific expenditure departments. In the process of the NPC's financial index supervision, sometimes it is difficult to obtain first-hand performance information. There may also be information asymmetry between different departments. Therefore, between departments need to be broken as soon as possible, Information barriers between higher departments and lower departments, Maximize the real budget implementation performance status. We can consider establishing a big data platform for financial index information, we will actively explore an online supervision system for monitoring financial index.

The standard procedures and mechanisms of linkage supervision should be fully considered to avoid the randomness of operation. Take the post-performance supervision as an example, if the audit institution supervises the follow-up rectification of the budget implementation performance deviation, Then consider the design of a special performance audit report, Focus on collecting the performance adjustment measures and performance improvement results of the previous year In the .budget approval of the following year, The improvement status in the audit report shall be submitted to the NPC for evaluation and review, To ensure the realization of performance accountability. Only the post-event accountability and supervision results will be included in the budget approval process. And it is directly linked to the allocation of budget funds, To form a good performance management closed-loop.



Both internal and external development to improve institutional construction. Internal construction should be more widely used with the power of experts and social organizations, to establish a professional and high-level team. Financial index supervision is a complex and systematic project, The supervision subject is required to master the multidisciplinary knowledge, Strong comprehensive analysis ability and problem-solving ability are needed. But for now, some local people's congresses still lack professionals in this area, The knowledge structure of the supervision subject can not meet the requirements of the financial index supervision. Currently, People's congresses at all levels have set up different forms of expert database for budget review and consultation, As an "external" brain. On this basis, fully absorb the finance with a more academic background, finance, finance, Professionals in auditing, etc. We will further enrich the professional knowledge system of the NPC's financial index supervision. From an external point of view, the power of expert think tanks and third parties should be fully absorbed, as a supplementary form of supervision in modern society, fully linkage of audit institutions, an important external supervision subject, in performance audit, public satisfaction evaluation and other more targeted evaluation methods, we will build a pattern of diversified financial index- based oversight with the NPC as the main body.

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