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Research Article

Designing and Explaining a Model of Public Purpose Financial Reporting Based on Good Governance Indicators in the Iranian Public Sector

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ABSTRACT

The spread of accounting scandals has prompted the need to improve the relationship between financial reporting and the establishment of good governance structures; therefore, identifying factors and drivers such as financial reporting in the public sector that can assess the characteristics of good governance in the country is of great importance. Given the lack of an integrated, comprehensive, and coherent model in this area, the present study has presented a model for improving good governance indicators based on the components of the indigenous model of public purpose financial reporting using a mixed exploratory (qualitative-quantitative) approach. The statistical sample of this study in the quantitative part consisted of 140 experts in the field of finance in the public sector, including managers of the General Directorate of the Ministry of Economy and Finance, accountants of executive agencies, auditors of the Court of Accounts, and senior managers of the Planning and Budget Organization, as well as accounting professors with at least a master's degree and at least ten years of work experience. In the qualitative part, after conducting 15 interviews with experts, the data reached theoretical saturation. In order to collect data in the qualitative part, a semi-structured interview (record taking) was used, and in the quantitative part, a researcher-made questionnaire with 67 questions based on a five-option Likert scale was used. In the qualitative part, the Brown and Clark (2006) content analysis method was used, and in the quantitative part, the confirmatory factor analysis technique (LISREL software) was used. The presented model has seven comprehensive themes: "evaluation and monitoring of performance, organizational cooperation and interaction, transparency and prevention of corruption, rule of law and regulations, accountability system, qualitative characteristics of financial reporting, and efficiency and effectiveness of financial reporting", 19 organizing themes, and 67 basic themes. The validity and reliability of the qualitative model section were confirmed using content validity and test-retest reliability index techniques. Validity and reliability in the quantitative part were also confirmed using convergent construct validity and composite reliability, respectively. The findings of this study can provide new insights to decision-makers in the field of governance in order to improve its indicators based on financial reporting.

Keywords: Public purpose financial reporting, good governance, qualitative model, validation.

1- Introduction

Every year, the World Bank measures and reports the quality of good governance of countries based on six indicators: "ability to express opinions and respond, political stability, government effectiveness, quality of laws and regulations, rule of law, and control of corruption." Looking at the indicators of good governance, it is clear that Iran is ranked low in most of these indicators. For example, in the 2019 ranking, Iran's rank in the corruption control, rule of law, quality of laws, government effectiveness, political stability, and accountability indices among 210 countries is 176, 157, 193, 131, 188, and 178, respectively. An examination of Iran's good governance indices in 2023 compared to

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previous years shows that all indices have worsened. Also, a review of the World Bank's statistics on corruption control in Iran from 1996 to 2020 shows that the twelfth government had the highest record of administrative corruption among the governments that came to power in Iran during this period. The government's score in terms of corruption control in 2020 was minus 1.1 points (World Bank Report, 2024). In other words, in the 24 years leading up to 2020, no other government in Iran has achieved such a low score in terms of administrative corruption control. A look at Iran's global corruption control ranking in 2020 compared to 2013 also shows that the previous government has dropped 29 places in the global corruption control ranking. On the other hand, according to the latest report by Transparency International (2023), the level of corruption in Iran has increased compared to the previous period. In its latest ranking of countries in the world based on the Corruption Perceptions Index, the organization announced that Iran has achieved 149th place out of 180 countries with a score of 24. It is worth noting that Iran's score in this index is the weakest since 2009 (Transparency International, 2023).

Therefore, designing and explaining a general purpose financial reporting model based on good governance indicators in the Iranian public sector is of great importance. Accordingly, accounting knowledge has played an important role in recent developments in the public sector (Ya Mamoto, 1999). Some even believe that the basis of these developments has been focused on reforming the accounting and financial reporting process and system of the public sector (Pourhosseini Hesar et al., 1400). Meanwhile, the use of international public sector accounting standards at the government level has been a comprehensive transformation in the structure of public sector financial reporting. This transformation has had a significant impact on the transparency and accountability indicators of the public sector (Blanca, 2014). Improving these indicators will ultimately lead to improving the quality of good governance. In paragraph 1 of Article 26 of the Law on the Consolidation of Two Partial Regulations of Government Financial Regulations, it is emphasized that ministries, government institutions and other executive agencies, in cases of using the government's public budget, are required to prepare their financial statements based on the country's public sector accounting standards (compiled by the Audit Organization) and within the framework of the accounting guidelines of the Ministry of Economic Affairs and Finance based on accrual accounting from 2015. Therefore, the implementation of the accrual accounting system is considered a leap in financial reporting, the effect of which will be to increase accountability for financial events in the government. The main objectives of the public sector accounting system can be classified into the following three groups: 1- Helping the public sector to fulfill and evaluate the responsibility of public accountability; 2- Meeting the information needs of users of the financial reports of reporting units; 3- Creating the necessary basis for extracting and accurately calculating the cost of programs, activities, services and products in line with performance-based budgeting (Stoudeh and Khoshro Moeini, 2014). Ignoring this can lead to reduced economic growth, social development and poverty reduction, wasting public resources, reducing government revenues, reducing productivity and private sector growth, failure of government programs, reducing the quality of services, reducing public participation and reducing trust between citizens and the government (Huinaro et al., 2020; Meldogaziev and Leo, 2022; Ben et al., 2020); Therefore, public sector financial reporting has now become an important issue in public administration. On the other hand, the World Bank emphasizes that the prerequisite for good governance is accountability and accountability of rulers, and this is in the financial transparency group; therefore, the introduction to achieving good governance is financial transparency and fair distribution of information. In fact, the two main mechanisms emphasized by the World Bank are: developing competition and increasing the rate of return; mechanisms that are used in various political, economic and cultural areas of society, from the judicial system to education (Pour-Ezzat, 1402). The International Monetary Fund has addressed financial and monetary transparency as a necessary condition for increasing government accountability, and in this regard, the International Monetary Fund has defined more than ten standards for monetary, banking, and financial systems. The definition of standards is based on the policy that good governance requires governments to be accountable, and without financial transparency, accountability is meaningless, and a fundamental step for financial transparency is to define and implement standards for recording and disseminating information (Midari, 2006).

Given that Iran's public sector accounting standards state accountability as the main goal of financial reporting for public purposes, and on the other hand, the World Bank and the International Monetary Fund mention financial accountability and transparency as one of the indicators of good governance; it seems that this common circle can lead us to design and explain a financial reporting model based on good governance indicators in the Iranian public

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sector. Given the lack of an integrated, comprehensive, and coherent model in this area, the present study presents a model for improving good governance indicators based on the components of the indigenous model of general purpose financial reporting using a mixed exploratory (qualitative-quantitative) approach. Therefore, in this study, we seek to answer the question of what is the general purpose financial reporting model based on good governance indicators in the Iranian public sector? Does this model have the necessary validity? In the remainder of the study, the theoretical foundations and background of good governance and financial reporting are first reviewed; then the research methodology is discussed; in the research findings section, the presentation of the general purpose financial reporting model based on good governance indicators in the Iranian public sector and its validation are discussed; and the final section is dedicated to reviewing and analyzing the results, introducing limitations, and providing suggestions.

2- Theoretical Literature and Research Background

Transparency and disclosure of reliable information to external parties is a key aspect for public sector organizations. According to the agency theory approach, transparency and information are useful in controlling managers and making them accountable for their decisions, as well as for the overall performance of the organization. According to the stewardship theory approach, public sector organizations may gain public support by demonstrating, i.e. disclosing, the achievement of the organization's economic and social goals, which ensures the survival of the business entity and at the same time acts as an inherent reward for its managers (Wasson et al., 2024). General purpose financial reports should present information in a way that is responsive to the needs and appropriate to the knowledge base of their users and reflects the nature of the information provided. Financial reports are prepared to meet the needs of different users with different levels of awareness of the activities of the reporting entity. Therefore, the information contained in financial reports is generally prepared on the assumption that users have a reasonable knowledge of the activities of the reporting entity and accounting practices, and also have the ability and willingness to study the information. At the same time, complex information that is considered relevant to meet the needs of users should not be excluded from financial statements on the grounds that it is difficult for some users to understand; although such information should also be presented in a simple manner as much as possible. The quality of financial reporting is not expressed only in the form of numbers and also includes text. Accordingly, the greater the readability of financial statements, the higher their quality; as a result, it leads to better understanding by investors (Alikhani, 2017). Financial reports provide documented and reliable information with the aim of helping users in decision-making. Therefore, these reports should be relevant, reliable, comparable and understandable (Kamarouzman et al., 2009). Investors, analysts and other stakeholders widely trust the information provided in corporate reports. The clarity, transparency and understanding of these reports are of interest and importance to standard setters, auditors and investors (Lee, 2010). There are two theories in this regard. The vague management theory states that managers of poorly performing organizations tend to report information in a vague, long and complex manner in order to obtain longer-term feedback from the market (Ajina et al., 2016; Bloomfield, 2008); in contrast, the signaling theory states that managers of successful companies whose organizations have performed well do not tend to publish vague, long and complex reports, but on the contrary try to present financial reports in a completely legible and clear manner (Hassan, 2017).

Good governance has been receiving serious attention in scientific and social circles since the 1990s as a suitable strategy to help develop countries, especially developing countries. This strategy was considered a way out of poverty and underdevelopment, and many efforts were made to implement and establish it. Today, this term has gone beyond the realm of governments and has also affected governance in organizations and companies (Ebrahimpour and Khalili, 2010). After World War II and the dominance of modernization theory, the dominance of bureaucracy left no room for urban management. Downsizing, outsourcing, privatization, devolution of authority to lower levels of government, etc., which were considered principles of neoliberal thought, led to the formation of the nature and content of urban management after the 1970s. During this period, the turn towards liberalism created a space for urban management. In the 1990s and the decline of managerialism, attention to democracy flourished and urban management inevitably gave way to good urban governance (Rastegar, 2017). In terms of terminology, governance goes back to the Greek word Koberman, meaning to direct or administer, and was used by Plato in relation to how to design a government system. This was a medieval Greek term that implies the same concepts as directing, legislating,

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or driving. Here, governance is the act or method of ruling, as well as the administration or duty of ruling. Ruling means ruling or controlling by using authority and also being in government (Naghibi Mofard, 2010). The move towards good governance occurs when there are sufficient national and international incentives in this regard. In such a case, there will be a need to revise the governance model. Undoubtedly, traditional governance pursues some degrees of accountability, transparency, participation, legality, and justice, but it does not meet the expectations of the people and turbulent environments. It is necessary to design desirable accountability, participation, and other systems under the name of a good governance model. Then, it can be expected that transition programs from the existing governance architecture to its good (desirable) architecture will be developed and implemented. Such programs will be developed and implemented in a balanced manner in the country's political, economic, legal, and administrative macro-areas (Rahnourd and Abbaspour, 2007). Governance or sovereignty in its original meaning is the implementation of decisions and a set of actions that governments have taken in societies; but today, the government is not the only actor on the country's stage, and governance is not simply the result of its actions (Alvani, 2009). The United Nations considers good governance to be based on the following foundations: a proper system of representation (proper political functioning and cooperation based on interests), a proper electoral system, and a proper system of oversight and control (based on the distribution of power) , a vibrant and dynamic civil society (which controls the government and private sector business), independent and free media, and effective citizen control over the army and other military forces, good governance, according to the definition, is a model that balances power between the government and the two private civil sectors, monitors the behavior of the government and citizens, clarifies the relations between the parties, facilitates the existing activities of society, and legitimizes the existing power in each sector (Naghibi Mofard, 2010).

The following is a review of the background of domestic and foreign research.

Sotoudeh and Khoshro Moeini (2014) examined the challenges of public sector financial reporting in their qualitative study. Based on the results, twelve main challenges affecting public sector financial reporting were identified. Accordingly, challenges in the accounting system, economic factors, and human resources were the most important challenges affecting the quality of reporting in the country's public sector, respectively. In their study, Payghan et al. (1401) identified and prioritized the factors affecting good governance with a sustainable development approach in government organizations of Sistan and Baluchestan province. The research findings showed that the indicators of opinion and accountability, quality of laws, corruption control, rule of law, transparency, vision and planning, effectiveness and efficiency, ethics-oriented, responsibility, trust-oriented, justice, poverty alleviation, economic growth, participation, institutional development, meritocracy, trust-oriented and political stability and anger are the most important components of good governance with a sustainable development approach, respectively. The purpose of the study by Pourhosseini Hesar et al. (1400) is to examine the relationship between the application of International Public Sector Accounting Standards, the status of good governance and the level of crime. The results of the study indicate a positive and significant effect of the application of International Public Sector Accounting Standards on good governance. In summary, based on the evidence of this study, the adoption of international public sector accounting standards will have a favorable impact on the quality of governance and the improvement of social indicators, including crime rates. Bahadori and Pishdar (2019) examined various research projects in the field of policies and strategies related to accountability, transparency, auditing, regulatory disclosure, governance, investor protection, and anti-corruption measures in the public sector. The results of the study show that there are many issues regarding the costs associated with illegal activities, laws and regulations related to combating corruption that need to be examined and given serious attention. Mohammadi et al. (2019) presented a desirable model of public sector financial reporting quality using the foundational context approach in their study. The results of the study showed that the quality of public sector financial reporting in Iran is not in a favorable state. Empowerment of executive bodies and management decisions as causal conditions, budgeting system and behavioral factors as contextual factors, resistance economy, financial sustainability and organizational cohesion as intervening conditions are identified in this research. The consequences of increasing the quality of public sector financial reporting are: improving the efficiency and performance of public institutions, saving on the country's costs, and increasing the level of citizen demands. Mohammadzadeh Salteh and Faraji (2016) studied the drivers and obstacles of government accounting changes in the public sector financial reporting system of Iran in their research. The results indicate that the factors of legal requirements, the dominance of specific doctrine, the requirements and recommendations of

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international communities, financial and economic crises, and improving financial transparency are among the drivers of government accounting changes in the public sector financial reporting system of Iran. Obstacles to changes in government accounting include the lack of financial experts, the inadequacy of some financial and accounting laws and regulations, the lack of adequate government accounting standards and methods, and the lack of a theoretical framework and culture of accountability and responsibility.

Wason et al. (2024) examines various categories of errors that can compromise the integrity of financial reporting in the Indian public sector, including accounting errors, legal errors, auditor errors, management errors, and repetitive errors. These errors question the accuracy and reliability of financial reports and its implications for stakeholders including investors, regulators, and the public. The purpose of the study by Pakpahan et al. (2022) is to examine the effect of internal control system weaknesses and audit quality on the quality of financial reports in Indonesian district and city governments using good government governance as a moderating variable. The findings of this study indicate that 1- internal control system weaknesses have a positive and significant effect on the quality of local government financial reports. 2- audit quality has a positive and significant effect on the quality of local government financial reports. 3- Good government governance can weaken the relationship between weaknesses in the internal control system and the quality of local government financial reports; and (4) good government governance can weaken the relationship between weaknesses in the internal control system and the quality of local government financial reports. Singara et al. (2021) conducted a study to investigate the effect of the internal control system through good governance, individual ethics, and human resource competence on fraud prevention in North Sumatra; the results showed that the internal control system through good governance has a positive and significant effect on fraud prevention. The results of the study by Sefkaur et al. (2019) showed that the use of the accrual basis of financial reporting affects good governance resulting from the financial reporting of forty-four regional and county governments in the provinces of Papua and West Papua. Nalkange et al. (2018) conducted a study on good governance, business ethics, internal controls, and compliance with international accounting standards. The purpose of this study was to establish a relationship between good governance, ethical culture, internal controls of financial reporting and compliance with international financial reporting standards, which was conducted based on a sample of 85 institutions in Uganda. The results showed that good governance, business ethics and internal control are consistent with international accounting rules.

3- Research Methodology

The present study is a research with a mixed exploratory design (qualitative-quantitative); in the qualitative part, the content analysis method was used and in the quantitative part, the descriptive-survey method was used; also, this study can be considered an applied study in terms of its purpose, which was conducted in a cross-sectional manner in 1403. The population and statistical sample of this study in the qualitative part are experts in the field of finance in the public sector, including managers of the General Directorate of the Ministry of Economy and Finance and senior managers of the Planning and Budget Organization with at least a master's degree and at least ten years of work experience in this field. In this part, the size of the population and the statistical sample are avoided; Because the criterion is to achieve theoretical saturation of the data and general agreement on the phenomenon under study. In this section, the data reached theoretical saturation after 15 interviews. The method of selecting experts was snowballing. In this section, 9 of the interviewees had a PhD and 6 had a master's degree. Also, the number of experts in the age ranges of 30-40 years, 40-50 years, 50-60 years, and 60 years and above was 2, 7, 4, and 2, respectively. In the qualitative section, validity was confirmed based on data self-correction techniques and the auditing method by two reviewers. The reliability of the qualitative model was also confirmed using test-retest reliability techniques and manual coding.

The statistical population of the quantitative section consists of financial experts in the public sector, including accountants of executive agencies, auditors of the Court of Accounts, and accounting professors with at least a master's degree and at least ten years of work experience in this field. Due to the uncertainty of the population size, the minimum sample size was calculated as 133 people using the formula n=(Z2pq)/S2 and replacing Z=1.96, q=p=0.5, and S=0.085; for this purpose, 160 questionnaires were distributed as available, of which 140 questionnaires were returned. The sampling method in this section is non-randomly available. In this section, 94

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participants had a PhD and 46 had a master's degree. Also, the number of members of the statistical sample in the age ranges of 30-40 years, 40-50 years, 50-60 years and 60 years and above were 35, 51, 42 and 12 people respectively. In this section, validity and reliability were evaluated using convergent construct validity and reliability techniques, respectively. The collection tool in the quantitative section is a researcher-made questionnaire with 67 questions based on a 5-option Likert scale.

5- Research findings

The research findings are presented in two parts: presenting a qualitative model of the general purpose financial reporting model based on good governance indicators in the public sector of Iran based on the content analysis technique and examining the model fit using confirmatory factor analysis. In this study, in order to present a qualitative model, the content analysis technique based on the Brown and Clark (2006) model has been used, including five stages of "familiarizing with the data, creating initial codes, searching for themes, retrieving themes, and defining and naming themes". Accordingly, 19 basic themes, 3 organizing themes, and one overarching theme were identified.

Part One) The Model of Financial Reporting Indicators in the Public Sector

The first stage of qualitative analysis is the evaluation of the interviews conducted and the extraction of open codes. These codes are extracted based on the content expressed in the interviews. Accordingly, 67 basic themes have been extracted from the interviews. These themes were grouped into 19 organizing themes and 7 overarching themes as shown in Table (1):

Table (1): Themes of the general purpose financial reporting model based on good governance indicators in the Iranian public sector

Basic themes	Organizing Themes	**Inclusive themes**
Providing information for budget formulation	Accurate Budgeting	**Performance evaluation and monitoring**
Improving the performance of government resources and expenditures		
How to secure government resources and expenditures		
Providing the public budget and its resources		
Presence of oversight bodies	Performance evaluation	
Evaluating government decisions		
Creating a possibility for evaluating government performance		
Bureaucratic and unstable government structure	Stability and continuity of the procedure	**Organizational collaboration and interaction**
Government bloat		
Administrative bureaucracy in the government		
Stability in macro-political processes		
Interaction between the public-private sector and civil society	Promoting public trust and consensus	

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Formation of public consensus		
Participation and consensus of forces to provide services		
Accountability of agencies	Collaboration and interaction of devices	
Defining the facilitating role of the government		
Defining and determining the coordinating role of the government		
Equality before the law	Justice-centered	
Participation of stakeholders in information		
Having an equal approach in disseminating information		
Adhering to fairness and justice in reporting		
Justice in financial reports		
Transparency of government actions	Promoting transparency in information	**Transparency and prevention of corruption**
Transparency in affairs		
Reducing rent-seeking in the government body	Preventing corruption	
Preventing the spread of financial corruption		
Reducing administrative corruption		
Protecting the productive sectors by laws	Improving laws and standards	**Rule of law and regulations**
Promoting rule of law		
Amending laws and regulations		
Establishing transparent laws		
Cumbersome laws	Weaknesses in laws and regulations	
Conflicting laws		
Existence of parallel and overlapping laws		
Lack of comprehensive and obstructive laws		
Multiplicity and proliferation of laws		
Possibility of expressing opinions on various issues	Commenting ability	**Accountability system**
Possibility of registering complaints and following them up		
Accepting freedom of expression and criticism		
Accepting diversity of views		
Evaluating the level of government accountability	Responsiveness	

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Creating the possibility of accountability of government organs and institutions		
Operational accountability of agencies		
Financial accountability of agencies		
Improving the level of accountability of agencies		
Accountability to the nation		
Ability to quickly access information	Timing of information provision	**Qualitative characteristics of financial reporting**
Manner of reporting		
Timeliness of information		
Confirmation value of information	Usefulness of financial report content	
Predictive value of information		
Usefulness of information		
Relevance of information	The importance and value of information	
Completeness of information		
Importance of having information		
Public satisfaction with the information received	Reliability of information	
Honest statement in financial reporting		
Impartiality of the report		
Intelligibility of information	Financial report usability	
Comparability of information		
Reliability of information		
Appointment of managers based on expertise and experience	Effectiveness of financial reports	**Efficiency and effectiveness of financial reports**
Ability to make decisions for the future (future planning)		
Effectiveness of reports for government decisions		
Expanding meritocracy	Efficiency of financial reports	
Promoting and applying accepted financial methods in accordance with the latest FASB amendments		
Improving the efficiency of government financial sectors		

Different criteria have been proposed as indicators of the validity of qualitative research. However, since the theory of content analysis is inherently an iterative process, the validity of the data is confirmed during coding and analysis and is emphasized in subsequent and previous interviews and observations. The validity tool is formed by this reciprocity of the process itself, and the best judge for confirming the validity of the data is the confirmation of the propositions, concepts and categories by the interviewees and during the interviews (Ghorbankhani et al., 1400). Therefore, in the present study, due to the reciprocity process and the analysis of the interviews one by one before

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conducting subsequent interviews, the self-correction of the data was the best indicator of determining the validity of the data obtained from the research. The evaluation of the extracted model was confirmed using two indicators of appropriateness and applicability, which are one of the methods for assessing the validity of qualitative research, and also, commenting on the empirical foundations of the research. In addition to the above, participants provided their opinions on the research report, analysis process, and categories, and the results were revised and modified based on their opinions. Also, to assess validity, the auditing method was approved by two reviewers. In this method, the researcher increases the reliability of the research results by explaining how to collect data, how to derive categories, and how to make decisions during the research for the reviewer and approving it by the reviewer, which was done by experts in the present study. To assess reliability in this study, the test-retest reliability method was used; this index can be calculated when the coder codes a text at two different times. To calculate the test-retest reliability, several interviews were selected from the interviews conducted and each of them was recoded at an interval of fourteen days. After comparing the codes identified at two time intervals for each of the interviews, the reliability of the research was determined through the high level of agreement in the two coding stages. In addition, to calculate reliability, coding was done manually, and after coding was completed, the results of the two codings were compared with each other and the Holst method was used to calculate reliability:

$PAO=2M/ (n_1+n_2)$

PAO means the percentage of agreement observed (reliability coefficient), M is the number of agreements in the two coding stages, n1 is the number of units coded in the first stage, and n2 is the number of units coded in the first stage and the number of units coded in the second stage. This figure varies between zero (no agreement) and one (complete agreement). The answer to the calculation result for the present study was calculated to be 0.79, which indicates that the themes have high reliability.

Findings of the quantitative section

Furthermore, confirmatory factor analysis using LISREL software was used to validate the presented model. As is clear from Table (2), all factor loadings in the standard estimate mode are greater than 0.5 (also, based on the t-statistic values, it can be said that since the t-statistic values of all factor loadings are outside the range of -1.96 and +1.96, it can be concluded that the factor loadings are significant at the 5 percent confidence level). Table 2 shows the factor loadings and t-statistics:

Table (2): Confirmatory factor analysis (factor loadings and t-statistics)

Explanation	Factorial load	Basic themes	Factorial load	Organizing themes	Inclusive themes
The t-statistics of all the basic and organizing concepts are outside the range of -1.96 and +1.96; therefore, with 95% confidence, we can say that they are all ..significant	0/639	Providing information for budget formulation	0/797	Accurate budgeting	**Performance evaluation and monitoring**
	0/633	Improving the performance of government resources and expenditures			
	0/784	How to secure government resources and expenditures			
	0/642	Providing public budget and its resources			
	0/642	Presence of oversight bodies	0/810	Performance Evaluation	
	0/676	Evaluating government decisions			

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	0/682	Creating a possibility to assess government performance			
	0/605	Bureaucratic and unstable structure of the government	0/637	Consistency and Continuity of Procedure	**Organizational collaboration and interaction**
	0/629	Government bloat			
	0/706	Administrative bureaucracy in the government			
	0/589	Stability in macro-political processes			
	0/723	Interaction between the public-private sector and civil society	0/641	Promoting public trust and consensus	
	0/595	Forming public consensus			
	0/707	Participation and consensus of forces to provide services			
	0/758	Accountability of agencies	0/795	Collaboration and interaction of devices	
	0/858	Defining the facilitating role of the government			
	0/626	Defining and determining the coordinating role of the government			
	0/708	Equality before the law	0/622	Justice-centered	
	0/715	Stakeholder participation in information			
	0/719	Having an equal approach to disseminating information			
	0/635	Adhering to fairness and justice in reporting			
	0/606	Justice in financial reports			
	0/748	Transparency of government actions	0/770	Improving transparency in information	**Transparency and prevention of corruption**
	0/764	Transparency in affairs			
	0/589	Reducing rent-seeking in the government body	0/759	Preventing corruption	
	0/777	Preventing the spread of financial corruption			
	0/734	Reducing administrative corruption			
	0/608	Supporting the laws of the productive sectors	0/708	Improving laws and complying	**Rule of law and regulations**
	0/776	Improving legality			

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	0/817	Amending laws and regulations		with standards	
	0/567	Establishing transparent laws			
	0/595	Cumbersome rules	0/774	Addressing weaknesses in laws and regulations	
	0/641	Conflicting laws			
	0/702	Existence of parallel and overlapping laws			
	0/712	Lack of comprehensive and obstructive laws			
	0/625	Multiplicity and proliferation of laws			
	0/618	Possibility of expressing opinions on various issues	0/806	Ability to comment	**Accountability system**
	0/688	Possibility of registering complaints and following them up			
	0/766	Acceptance of freedom of expression and criticism			
	0/688	Acceptance of diversity of views			
	0/581	Evaluation of the level of government accountability	0/783	Ability to respond	
	0/636	Creating the possibility of accountability of government organs and institutions			
	0/748	Operational accountability of institutions			
	0/712	Financial accountability of institutions			
	0/799	Improving the level of accountability of institutions			
	0/721	Accountability to the nation			
	0/674	Ability to quickly access information	0/559	Timing of Information Presentation	**Qualitative characteristics of financial reporting**
	0/696	How to present the report			
	0/720	Timeliness of information			
	0/627	Confirmation value of information	0/771	Usefulness of Financial Report Content	
	0/695	Predictive value of information			
	0/678	Usefulness of information			
	0/800	Relevance of information	0/816		

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	0/593	Completeness of information		Importance and Valuability of Information	
	0/754	Importance of information			
	0/863	Public satisfaction with the information received	0/585	Reliability of Information	
	0/641	Honest statement in financial report			
	0/552	Impartiality of the report			
	0/758	Intelligibility of information	0/567	Financial report usability	
	0/876	Comparability of information			
	0/538	Reliability of information			
	0/471	Appointment of managers based on expertise and experience	0/684	Effectiveness of financial reports	**Efficiency and effectiveness of financial reports**
	0/837	Possibility of decision-making for the future (future planning)			
	0/844	Effectiveness of reports for government decisions			
	0/593	Expanding meritocracy	0/833	Efficiency of financial reports	
	0/805	Promoting and applying accepted financial methods in accordance with the latest FASB amendments			
	0/620	Improving the efficiency of government financial sectors			

Table (3) shows the composite reliability, the mean extracted variance, and the results of the construct-convergent validity study related to the organizing and comprehensive themes:

Table (3): Composite reliability, the mean extracted variance, and the results of the construct-convergent validity study related to the organizing and comprehensive themes

Cronbach's alpha	Composite reliability	Construct validity - convergent	Mean extracted variance	Themes	
0/705	0/707	Confirmation	0/445	Performance evaluation	Organizing themes
0/768	0/768	Confirmation	0/459	Accurate budgeting	
0/775	0/786	Confirmation	0/490	Improvement of laws and	
0/790	0/790	Confirmation	0/431	Fixing weaknesses in laws and	
0/737	0/743	Confirmation	0/497	Improving transparency in	

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0/727	0/727	Confirmation	0/511	Preventing corruption	
0/746	0/768	Confirmation	0/545	Effectiveness of financial	
0/738	0/756	Confirmation	0/504	Effectiveness of financial	
0/783	0/780	Confirmation	0/479	Ability to express opinions	
0/851	0/850	Confirmation	0/494	Accountability	
0/751	0/751	Confirmation	0/502	Improving public trust and	
0/724	0/626	Confirmation	0/402	Consistency and continuity of	
0/809	0/811	Confirmation	0/460	Justice-centered	
0/786	0/787	Confirmation	0/567	Cooperation and interaction	
0/756	0/772	Confirmation	0/520	Importance and value of	
0/739	0/739	Confirmation	0/486	Timing of information	
0/705	0/708	Confirmation	0/445	Usefulness of financial report	
0/719	0/741	Confirmation	0/486	Reliability of information	
0/761	0/761	Confirmation	0/544	Usability of financial report	
0/784	0/785	Confirmation	0/645	Performance evaluation and	**Inclusive themes**
0/768	0/766	Confirmation	0/459	Organizational cooperation	
0/738	0/738	Confirmation	0/585	Transparency and prevention	
0/708	0/707	Confirmation	0/550	Rule of law and regulations	
0/774	0/774	Confirmation	0/632	Accountability system	
0/804	0/807	Confirmation	0/457	Qualitative characteristics of	
0/726	0/713	Confirmation	0/581	Efficiency and effectiveness of	

As shown in Table (3), the composite reliability and Cronbach's alpha values of the organizing and comprehensive themes were obtained to be greater than 0.7, indicating the appropriate reliability of the proposed model. On the other hand, considering that the factor loading values (listed in Table 2) of the indices were obtained to be higher than 0.5 and significant; and also the value of the extracted mean variance index was greater than 0.4, therefore the convergent construct validity is confirmed for all comprehensive/organizing themes.

Table (4) also shows the fit indices related to the confirmatory factor analysis model:

Table 4- Fit indices of confirmatory factor analysis models

CFI	NFI	GFI	RMSEA	Chi²/df	Model	
0/98	0/95	0/97	0/050	1/55	Performance evaluation and monitoring	Organizing themes
0/95	0/91	0/93	0/052	1/60	Organizational cooperation and	
0/99	0/97	0/99	0/068	2/03	Transparency and prevention of	
0/92	0/91	0/92	0/071	2/90	Rule of law and regulations	
0/93	0/90	0/93	0/075	2/59	Accountability system	

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0/93	0/91	0/90	0/077	2/79	Qualitative characteristics of	
0/95	0/93	0/96	0/071	2/78	Efficiency and effectiveness of	
0/91	0/91	0/90	0/078	2/88	Inclusive themes	
>=90	>=90	>=90	<=0/08	<=3	Acceptable amount	

Given that the fit indices in Table (4) have acceptable values, it can be said that the model has a good fit.

Discussion and Conclusion

The present study has designed and explained a general purpose financial reporting model based on good governance indicators in the public sector of Iran. Accordingly, a qualitative model with a thematic analysis approach was extracted, including 7 overarching themes, 19 organizing themes, and 67 basic themes as follows:

• The overarching theme of performance evaluation and monitoring: This theme includes two organizing themes of accurate budgeting (providing information for budget formulation, improving the performance of government resources and expenditures, how to secure government resources and expenditures, securing the public budget and its resources) and performance evaluation (presence of supervisory bodies, evaluating government decisions, creating a possibility for evaluating government performance).

• The overarching theme of organizational cooperation and interaction: This theme includes 4 organizing themes: stability and continuity of procedures (bureaucratic and unstable government structure, government bloat, administrative bureaucracy in the government, stability in macro-political processes), promotion of public trust and consensus (interaction between the public-private sector and civil society, formation of public consensus, participation and consensus of forces to provide services), cooperation and interaction of institutions (accountability of institutions, definition of the government's facilitating role, definition and determination of the government's coordinating role), and justice-oriented (equality before the law, participation of stakeholders in information, having an equal approach in disseminating information, observing fairness and justice in reporting, justice in financial reports).

• The overarching theme of transparency and prevention of corruption: This overarching theme has two organizing themes: promotion of transparency in information (transparency of government actions, transparency in affairs) and prevention of corruption (reduction of rent-seeking in the government, prevention of the spread of financial corruption, reduction of administrative corruption).

• The overarching theme of rule of law and regulations: This overarching theme has two organizing themes: improving laws and observing standards (protecting the productive sectors from laws, promoting rule of law, amending laws and regulations, enacting transparent laws) and eliminating weaknesses in laws and regulations (cumbersome laws, conflicting laws, the existence of parallel and overlapping laws, the absence of comprehensive and obstructive laws, and the proliferation of laws).

• The overarching theme of the accountability system: This overarching theme has two organizing themes: the ability to express opinions (the ability to express opinions on various issues, the ability to file complaints and pursue them, accepting freedom of expression and criticism, and accepting diversity of views) and the ability to be accountable (evaluating the level of government accountability, creating the ability to be accountable to government agencies and institutions, operational accountability of agencies, financial accountability of agencies, improving the level of accountability of agencies, and accountability to the nation).

• Qualitative characteristics of financial reporting: This overarching theme includes 5 themes organizing the timing of information provision (availability of quick access to information, reporting method, timeliness of information), usefulness of financial reporting content (confirmation value of information, predictive value of information,

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usefulness of information), importance and value of information (relevance of information, completeness of information, importance of information), reliability of information (public satisfaction with the information received, honest statement in the financial report, impartiality of the report) and usability of financial reporting (understandability of information, comparability of information, reliability of information).

• Overarching theme of efficiency and effectiveness of financial reporting: This overarching theme has two overarching themes of the effectiveness of financial reporting (appointment of managers based on expertise and experience, possibility of making decisions for the future (future planning), effectiveness of reports for government decisions) and the effectiveness of financial reporting (expanding meritocracy, promoting and applying accepted financial methods in accordance with the latest FASB amendments, promoting the efficiency of government financial sectors).

In order to validate the proposed model, confirmatory factor analysis technique was used. Accordingly, in all confirmatory factor analysis models, the factor loadings of the basic and organizing themes were higher than 0.5 and significant. In addition, the values of the average variance extracted were also higher than 0.4. Based on the values of the factor loadings, t-statistics, and the average variance extracted, the existence of construct-convergent validity was confirmed for all basic and organizing themes. Also, considering the composite reliability and Cronbach's alpha values that were obtained higher than 0.7, the composite reliability of the basic and organizing themes was confirmed. Also, the probability value of the chi-square statistic greater than 0.05 showed that the models were appropriate at the 95% confidence level. Also, the values of the goodness of fit indices (GFI), the smoothed goodness of fit index (NFI), and the comparative goodness of fit indices (CFI) were also obtained greater than or equal to 0.90; which are considered acceptable values for confirming the suitability of the proposed model. Also, the root mean square error (RMSEA) index was less than 0.08, which indicates that the models have a good fit; and finally, the value of Chi-square with degrees of freedom (Chi2/df) was less than 3, which indicates a good fit of the confirmatory factor analysis models.

In comparison with previous studies, the study by Pourhosseini Hesar et al. (1400), in line with this study, showed that the application of international public sector accounting standards can lead to improved good governance. In the study by Mohammadi et al. (1399), the indicators of empowerment of executive bodies and management decisions, budgeting system and behavioral factors, resistance economy, financial sustainability and organizational cohesion, improvement of efficiency and performance of public institutions, saving in the country's costs, and increasing the level of citizen demands were identified as the main indicators of the financial reporting model in the public sector. The results of the study by Singara et al. (2021) also showed that the internal control system has a positive and significant effect on preventing fraud through good governance. Based on the findings of the study, the following practical suggestion is presented:

1. Accountability is the only difference in the quality of financial reporting in the public sector compared to the private sector. Given that the culture of accountability in the public sector is not in a favorable state; It is recommended that the government, executive and supervisory bodies, and public sector institutions take steps to realize as many citizen rights as possible and increase government accountability by establishing an accounting and financial reporting system.

2. General purpose financial reports do not provide all the necessary information for users. Therefore, it is recommended that users of general purpose financial reports use other information sources such as economic status reports and budget oversight, etc. to assess how the government fulfills its accountability responsibility.

3. Users of public sector financial reports are diverse and have different information needs. As a result, it is impossible to prepare reports that meet all the information needs of users. Therefore, the type and amount of information provided in general purpose financial reports should be based on the common needs of users.

4. Although each user group requires its own specific information to fulfill the accountability process, allocate resources, and make social and political decisions, the common information needs of these groups can be generally identified. These information needs can include the following: types and amounts of resources available to provide services in future periods; The amount of origin and use of resources acquired during the reporting period; The cost

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of services provided during the period and the source of their resources through the sale of natural resources, taxes and borrowings; The efficiency, effectiveness and economy of resource use and its compliance with approved budgets; Anticipated future services, including information on the forecast of cost and the amount and source of resources required for it; and Financial information and other information useful in assessing the sustainability of government operations and programs.

5. In order to provide a clear picture of the financial position and financial performance of the government, it is inevitable to use the accrual basis. This basis helps to reflect all assets and liabilities in the financial statement and to report all income and expenses in the period in which they are incurred or incurred, and not simply when cash is received or paid.

This research has also faced some limitations. The first limitation is related to the inherent limitation of the questionnaire in data collection; Accordingly, respondents may not be sufficiently accurate/focused when answering the questionnaire questions for various reasons, or their conditions, moods, and moods may change under the influence of environmental conditions in such a way that they do not understand the answers correctly, which is beyond the researcher's control. The last limitation is that the present study is spatially limited to a specific part of Iran and cannot be considered a complete representative of the entire country. Future researchers are recommended to conduct research on "Providing a qualitative model of financial reporting in the public sector with a meta-synthesis approach and interpretive structural modeling."

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