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The role of auditing in strengthening sovereign wealth funds and its impact on sustainability

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Abstract:

The research aims to highlight the theoretical framework of the concept of sovereign wealth funds, their importance and types. And measuring the impact of sustainability in its three dimensions (environmental, economic and social) on the organization's performance. Explaining the role of auditing in enhancing the quality of financial and non-financial data and enhancing the sustainability of the resources of sovereign wealth funds as they are an economic tributary to the country. That is why most developed countries have focused on making sovereign wealth funds among their priorities to achieve economic, social and environmental goals, in a direction that does not have a negative impact on sustainability variables. This stems from the importance of sovereign wealth funds and their ability to influence economic and political stability, especially in times of crisis. , by ensuring the stability and continuity of permanent government spending programs and policies to achieve sustainability. The analysis and measurement of research variables and the practical results of the applied aspect were relied upon through a set of statistical measures and reliance on the financial data of the Iraq Fund for External Development, the research sample, and generalizing the extracted results to build conclusions. And provide some possible recommendations from researchers. The researchers believe that in applying the balanced scorecard, the Development Fund must take into account all its axes and not focus on the financial axis only because it does not give a clear picture of the unit's performance. In addition to the necessity of developing strategic plans to operate the Fund's resources well in order to achieve a satisfactory level of profits, the management should The Fund applies the balanced scorecard as an integrated framework because it achieves many advantages such as competition, in addition to the necessity of using financial and non-financial indicators in the measurement process when using the sustainable balanced scorecard. The research concluded the importance of the Development Fund management paying attention to non-financial measures to measure the unit's performance, such as customer satisfaction. Improving services, and paying attention to the environment and society.

First:Introduction:

The concept of investment funds: Wealth is defined in its general sense, which is the stored balance of the net financial and cash value of assets owned by some at a specific time, whether under the ownership of an individual or society. Wealth includes tangible items (such as a house, a car, other durable consumer goods, and perhaps land) as well as financial possessions (such as cash, savings accounts, stocks, and bonds), and therefore all items that represent a certain value are known as assets and those that represent a specific debt are known as liabilities, and the difference between Total assets and total liabilities are wealth, and the term wealth is used in monetary analysis to indicate the elements of capital or the value of the total financial and real assets owned by an individual or project at a specific moment in time (John, 2012: 10). As for the types of wealth, they are divided into: (Bahoo, 2019 , 43)

1. **Physical capital**: includes the stock of produced capital goods (i.e. buildings and equipment) used by companies to produce outputs, infrastructure used by companies and households (such as roads, bridges, waterways, telecommunications networks), and durable goods. Which the

family sector uses either for production or consumption purposes (for example, buildings, vehicles, household equipment, etc.).

2. **Natural capital**: It is the stock of naturally occurring assets that result from the flow of valuable goods or services in the future (such as air, water, land, minerals, plants, and animals). Natural capital includes renewable natural resources such as ecosystems and non-renewable resources such as fossil fuels and mineral deposits.
3. **Human capital**: Human capital investments, as defined by Becker (1993), are represented by "improving skills, health, and then all money or material income" for society. Examples include investing in education and training, workers' health, and others.
4. **Intellectual capital**: It includes knowledge and innovation, and its use by one agent does not reduce its availability to others. Intellectual capital includes knowledge and innovations stored in books, articles, patents, etc. It is worth noting the importance of distinguishing between wealth for an individual and that for society or the national economy as a whole, as there is a fundamental difference in the method of calculating individual wealth and the wealth of society. This difference is that society's wealth consists mainly of net material funds or real assets, and wealth is calculated. The net worth of a country is based on the difference between assets and liabilities. As for financial assets, they are not considered part of the net wealth of society as a whole, but they are included among the components of the wealth that an individual possesses. As for the concepts of the investment fund, according to the entity issuing it and the purpose of its establishment, there are some concepts that researchers have applied to investment funds, from which you know that investment funds are a system that allows investors, whether individuals or companies, to participate together in an investment program managed by specialized investment advisors to achieve the highest possible percentage of returns. With the lowest possible degree of risk. (Bahoo, 2020, 61

Second- The importance of investment funds:

Investment funds are an important part of investment. The investor searches for opportunities that will develop these funds in a stable environment. When the appropriate climate for investment is not available, he does not hesitate to withdraw his investments and flee with them to other markets. This is what is known as capital migration. The importance of these funds and their theoretical benefits can be highlighted in the following elements: - (Alicia et al, 2021, 545)

1. They help create significant purchasing power in the stock market, which helps stimulate dealing in the stock market, as the investment tools that The availability of investment funds that suit the circumstances and goals of many investors.
2. The diversification characteristic of investment funds and the resulting reduction in investment risks and benefits achieved through investing in investment funds would encourage investors to purchase investment fund units, which adds more trading activity in the stock market. (Abbas, 2019, 71)
3. Closed-end investment funds stimulate trading in the stock market in two separate ways. First, they build formations of securities and thus stimulate trading in the stock market. Second, they issue investment units to be traded in the stock market. Stock market, which means adding more securities to the stock market.
4. Investment funds create increased demand for stocks, which increases the turnover of securities in the market, thus increasing the volume and value of trading. (Hertog, 2020, 47)

5. Investment funds contribute to reducing the inflation rate indirectly by absorbing cash liquidity from the hands of individuals and reducing the tendency to consume.
6. It achieves better returns compared to bank interest for individuals investing in investment funds, as it contains the returns distributed on the stocks and bonds that make up the fund's portfolio, in addition to capital gains as a result of the difference between their nominal value and their market value.
7. The presence of local investment funds limits the smuggling of national savings out of the country.
8. Investment funds are considered a motivation and encouragement tool for small investors who fear the risks of investing in the stock market.
9. Availability of the ability to select securities and follow them up by experts specialized in securities analysis.
10. Achieving an appropriate return from holding securities without controlling some companies, as this contradicts the principle of diversification and lack of concentration that these funds must follow.
11. Managing funds in a large-sized portfolio manner results in relatively lower commissions than those resulting from transactions carried out by individuals.

We find that a single transaction for a fund to purchase a million shares in one transaction will not pay the same commission that an individual would pay in purchasing Only ten thousand shares.

Third - Objectives of investment funds Investment funds:

aim to preserve the invested capital and achieve a return or additional income on it. The experience enjoyed by the management of the investment fund guarantees the investor to achieve higher returns than if he invested his money himself, due to the lack of sufficient experience in forming and managing it. Investment portfolios, and lack of familiarity with the balance between risk and return, and between liquidity and profitability. (Ben Amra, 2019, 22). Investment funds represent the channels through which savings pass to turn into investments. These funds collect savings from many individuals and transform them into large investment portfolios. Some general objectives of investment funds can be identified as follows:- (Young, 2020, 27)

1. Recycling The organization's securities portfolios aim to achieve a benefit for the organization that it establishes, as well as increase the effectiveness of the securities portfolios that the organization owns, as moving the portfolio will lead to the sale of shares and the purchase of others. For many years, the organization has practiced maintaining its securities portfolio without moving it, especially for successful companies, as they do not neglect... Hence, there is a high and great opportunity to achieve profit from selling part of the portfolio to the investment fund. This profit is achieved as a result of the differences in the valuation of the shares, most of which have not moved or been sold since they were subscribed at nominal value. (Sakhi, 2022, 37)
2. B- Collecting savers' money and directing it to the field of "non-banking" investment leads to increasing the activity and effectiveness of the stock market, as well as protecting national savings, whether for residents or workers abroad, by providing high-return investment methods. This leads to the preservation of national savings, as in a past period of time in which the lack of other means of saving other than the organization led to the loss of national savings through money investment companies, which citizens did not resort to except due to the lack of tools that could accommodate their savings, so they had no choice but savings pots. And

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bank certificates whose returns were low compared to the high returns given by money investment companies, and therefore the presence of investment funds will lead to multiple saving options for savers.

3. Increasing profitability and returns for all parties dealing with investment funds. For individuals, the return they will receive is formed from the value of the coupon or the shares whose value is estimated in the investment document, in addition to capital gains, which are the return on the value of the deposit only, and they do not receive any profits. Capitalism, in fact, the value of the deposit is eroded by inflation, which in the long run leads to raising the standard of living of the small class of savers and bringing society to a state of prosperity (Marri, 2021, 55)

4. The establishment of investment funds leads to the existence of an outlet for small savers to deal with the money market. This element fully explains the basic segment that the legislator was keen to make the basic base of the investment fund population, which is the small saver. Of course, determining the value of the minimum and maximum limit for the investment document is through the investment policy set by the investment manager, taking into account that the value of the document is in accordance with what the legislator determines. For the benefit of small investors. (Al Rajhi, 2023, 60

5. Taking into account security considerations, as the approach and method of operation of the investment fund aims to reduce and distribute investment risks through multiple investment outlets by choosing the appropriate time period for it, whether long-term or short-term, according to his needs. The investor's desires determine the securities that he will deal with through the fund. Investment: the greater his desire to achieve a high profit, the greater his degree of acceptance of risks, and the more the papers are distributed and diversified between company stocks, bonds, and safe treasury bills corresponding to the risks.

6. The funds' portfolio includes securities of many companies, which achieves a balanced assortment that may not be available to many investors. Usually, investing in stocks is high-risk, but funds that deal with a variety of securities and terms, including bonds, stocks, other financial instruments, treasury bills, certificates of deposit, and others, are generally low-risk (Abbas, 2019, 71)

7. Activating the stock exchange, and this In itself, it is a main goal and a means at the same time. Through an active financial market, the goals of economic openness can be achieved, especially with regard to the privatization process, which will not be successful if there is not a strong and active financial market qualified for it that facilitates the process of expanding the ownership base and citizens' participation in it. Economic practice of the state.

8. Achieving flexibility in moving between different investment tools from one fund to another according to what is compatible with the investor's conditions. (Hertog, 2020, 44) The goal of establishing investment funds is to collect money from individuals and financial institutions in exchange for issuing investment documents, and then invest that money in various securities, so that this leads to reducing risks and achieving an appropriate return for investors, and opening the stock market. In front of small savers, which contributes to activating the securities market (Ben Amra, 2019, 24).

Fourth: - Advantages of investing in funds:

Investing in investment funds can achieve several advantages, the most important of which are: - (Al-Rajhi, 2023, 70)

1. Specialized management: Asset management is provided by specialized experts for those who have savings and do not have sufficient experience to operate them by entrusting those savings with For a group of professional experts in this field. One of the postulates of the investment fund is to employ international skills from specialists with long experience and distinguished capabilities in the field of money management due to the large size of the fund, and this level of management cannot be achieved by small savers except through investment funds that mobilize their small savings until they become of a large size with which they can be spent. At that level of experience (Young, 2020, 27).

Many of these companies have administrative staff specialized in analyzing securities and managing investment portfolios that try to reach good investment results for their investors.

The investor can obtain the services of a manager to manage money at a much lower cost than if he wanted to appoint a manager to manage his money, through the investor benefiting from the services. The specialized manager buys one share of the investment fund's stock. (Al Rajhi, 2023, 60).

2. Diversification: (Bahoo et al, 2019, 67) believe that diversification means purchasing different securities, which works to reduce the risks that the investor faces when investing in one security. Diversifying the fund's components in a way that contributes to reducing risks to the minimum possible by diversifying the composition that makes up the investment fund. Diversification is achieved through the funds it collects from its shareholders. These investors (shareholders) can maintain partial shares, and none of them can act alone. (Sari, 2023, 51)

3. Flexibility: Providing a degree of flexibility to investors in the freedom to transfer their investments from one fund to another, in exchange for a small fee. Investment companies can also redeem their shares if the investor wishes to get rid of them completely or partially. (Cody, 2019, 1501)

4. Liquidity: Investment fund documents, especially open ones, are characterized by high liquidity, as their holder can redeem their value on specified dates. (Marri, 2021, 55) and providing complete liquidity for the subscriber's share, represented by constant readiness to meet the redemption requests submitted by the subscribers. (Hertog, 2020, 47)

5. Stimulating the movement of capital markets: This is by encouraging investors with little experience and knowledge to deposit their savings in investment companies, and achieve a higher level of return. (Bahoo et al, 2019, 67)

There is no doubt that the failure of ordinary savers to invest their savings in securities due to their lack of experience and the modesty of their savings makes them reluctant to go to the stock market. If investment funds come to receive these savings, invest them well, and achieve a return for savers, this will encourage them. To place their savings in the stock market, where investment funds play the role of mediator between these savers and the industrial, commercial and real estate companies that offer their shares and bonds on the stock market, which ensures its revitalization and expansion. (Francesco, 2019, 451).

6. Its suitability for various segments of investors: As the investment units have different categories, including small and large categories, they are therefore compatible with the capabilities of various segments of investors. (Garg et al, 2020, 571) 7. The trade-off between risk and return: The individual investor cannot allocate his money in various investments in a way that leads to achieving the trade-off between risk and return if those funds are small in size, and therefore investment funds in which a lot of money is gathered provide the opportunity He can benefit from diversification, because the diversification process leads to a great deal of stability in returns and protection of capital, because distributing funds over investments with different durations and varying degrees of risk in terms of the quality of the investment and geographical location achieves returns that distinguish it from other investment

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methods (Affuso et al, 2020, 592) 8. Reducing the cost and maximizing the return: Investment funds invest money in appropriate and diverse investment tools that largely keep pace with the market movement up and down. This includes diversity among the types of investment tools and also diversity among the sources of those tools, given the large amount of money. Funds, when the cost is distributed among the investment units, what is caused to the investment units is very small, and from this it is one of the postulates of the work of fund managers that they do not make their important decisions for the fund's investments from among the returns from the investment tools except after conducting financial and economic analyzes based on a feasibility study. Types of investments, economic trends, and the conditions of expected return numbers encourage subscription, and after practicing the activity, actual returns are provided that are comparable to expectations or exceed, and based on investors' confidence in these experiences, they prefer to go to invest in funds, which has led to gaining the confidence of the investing public due to the positive results of investment funds (Young, 2020, 27). Funds can pay low transaction costs in the form of broker commissions and transaction fees due to the large number of transactions they make. 9. Disadvantages of investing in investment funds: The most important criticisms directed at investment funds can be summarized as follows: - (Al Rajhi, 2023, 60) A - One of the risks to which the investor is exposed to in investment funds is that he does not have any control over what is purchased from them. Securities in the fund in which the funds are invested, which requires identifying and researching the work of the appropriate portfolio manager before investing in that fund. B- The high cost of managing the fund, which affects the return achieved by the investor in the fund documents, especially since the greatest reliance is on foreign management companies. Another disadvantage of investment funds is the lack of information and data that appeared in the funds' prospectus, which gives an incomplete picture of the fund or its future operations. C- There is an overlap in investment objectives, as a growth fund may achieve a level of risk that is lower than the level of risk of a fund that aims to obtain a return (Abbas, 2019, 71). D- Investment funds are sometimes managed in a way other than what is announced. For example, we find that the fund may declare that it is a conservative fund, that is, it chooses investments in such a way that risks and volatility are reduced to the lowest levels, but it is managed in a risky way that puts money in the shares of a small, highly volatile company (Saleh, 2022, 763).

Fifth: Dimensions of sustainability:

The dimensions of sustainability are intertwined and integrated, and it is not correct to deal with each dimension separately from the rest, because they all enshrine the principles and methods of sustainable development. In the opinion of specialized researchers, the three dimensions of sustainable development are interconnected through the following (Wardam, 2003: 189):

1. Economically: The system characterized by economic sustainability is the system that can produce goods and services continuously while maintaining a specific, manageable level of The economic balance between public output and public debt, and not lead to any social imbalances resulting from economic policies.
2. Environmentally: An environmentally sustainable system must be able to preserve a stable base of natural resources and prevent the unjust depletion of renewable and non-renewable resources. It also protects biodiversity, atmospheric balance, soil productivity, and other ecosystems that are not usually classified as economic resources.

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3. Socially: The social system is sustainable through achieving justice in distribution, delivering social services such as education, health, and others to those in need, gender equality, political accountability, and popular participation. Seventh: The importance of sustainability. There are many researchers and thinkers interested in the topic of sustainability who have addressed the topic of the importance of sustainable development. Each researcher sees a specific importance that follows his point of view and interest, and a number of points raised by the researchers can be mentioned as follows:

- **a.** The important links for sustainable development that are countless between human well-being and healthy ecosystems because they provide a variety of benefits to people, including food and fiber. Natural, constant supply of clean water, regulation of pests and diseases, medicinal and recreational items, and protection from natural hazards such as floods. (Davidson, 2021:186)
- **b.** The importance of sustainable development is embodied through its adoption of a principle or strategy that is not only for people, nature, and the planet as a whole, but extends beyond it to peace and partnership between the countries of the world. (Agbedahin,2019:3)
- **c.** Sustainable development is an ambitious agenda that aspires to ensure that "no one is left behind" and development has become a key element in policy frameworks due to its importance in addressing challenges around the world (Agbedahin, 2019:3)
- **d.** It supports Sustainable development New knowledge to find alternative ways to secure the future and to better understand human and natural systems and to consider it as a matter of global concern and the topic of sustainable development must be directed towards international cooperation and research. (Leal Filho et al.,2018:2)
- **e.** Streamlining SDG policy into national development plans. (Pedercini etal.,2018:1) 6. The importance of sustainable development has been determined by the argument that economic growth is not sustainable because it is accompanied by the depletion of natural resources and the degradation of environmental services. (Spaiser et al., 2017:1)
- **f.** Developing countries must defend sustainable development because even if they contribute the least to the depletion of natural resources and disruption of natural processes, they suffer more than others from the devastating effects of unsustainable development. (Raborar,2016:29)
- **g.** Investing in opportunities and facing risks in the economy, environment and human capital. This in turn provides indicators that countries, cities and other administrative units can use to evaluate sustainability progress from time to time to direct their resources and development in a way that supports the goals of sustainable development. (Amekudzi et al., 2015:9

Sixth: Indicators for measuring sustainability:

Sustainability indicators contribute to assessing the extent to which sustainable development is actually achieved and the subsequent making of many decisions about economic and social policies. The most accurate indicators are those that are able to show the extent of development in the field of sustainable development, which were developed by the Sustainable Development Committee in The United Nations, which is called "Pressure-state-response indicators," and these indicators show the extent of countries' success in achieving sustainable development, through digital standards that can be calculated and compared with other countries

(Al-Lami, 2013: 40). Sustainable development indicators can be divided into three groups, as follows:

Economic indicators: There is a group of economic indicators, the most important of which we will discuss, as follows:

1. Gross domestic product per capita.
2. Share of fixed investment to GDP.
3. Foreign trade and the ratio of exports of goods and services to imports.
4. Annual per capita share of energy consumption.
5. The ratio of debt to GDP (Al-Kubaisi, 2005: 78).
6. Real savings: which means the ratio of consumption and investment to natural capital (Al-Jourani, 2015: 41).

Social indicators: Researchers mention a group of social indicators, including: (Al-Lami, 2013: 41-42)

1. The unemployment rate, poverty, and the percentage of individuals below the poverty level in society.
2. Quality of life and life expectancy.
3. The level of education, the illiteracy rate among adults, and the total rate of enrollment in secondary school.
4. Population growth rate and percentage of urban population.

Environmental indicators: They are: (Al-Shammari et al., 2016:61)

1. Per capita share of renewable water resources available annually.
2. Per capita share of arable land.

Siventh : methodology

Highlighting the theoretical framework of the concept of sovereign wealth funds, their importance and types. And measuring the impact of sustainability and its three dimensions (environmental, economic, and social) on the organization's performance. Explaining the role of auditing in enhancing the quality of financial and non-financial data. And enhancing the sustainability of the resources of sovereign wealth funds as an economic tributary to the country.

The importance of the study stems from the importance of sovereign wealth funds and their ability to influence the state of economic and political stability, especially in times of crisis, by ensuring the stability and continuation of permanent government spending programs and policies for sustainability. This is why most of the polarized countries focused on making sovereign wealth funds among their priorities to achieve economic, social and environmental goals, in the direction in which It does not have a negative impact on sustainability variables.

It was adopted in analyzing and measuring the research variables and finding practical results for the applied aspect through a set of statistical measures and relying on the financial data of the Iraq Fund for External Development, the research sample, and generalizing the extracted results to build conclusions and provide some possible recommendations from the researchers.

Eighth : The applied aspect of the research:

This research includes the applied aspect of the study, in which the sustainable balanced scorecard method will be applied to measure sustainable performance. My agencies: - An introductory overview of the Iraqi Fund for External Development: The Iraqi Fund for External Development was established as a financial institution with a legal personality and financial and administrative independence, in accordance with the law. No. (77) of 1974, and a board of directors was formed for the fund. Board members were chosen from multiple ministries, including specialists from the Ministry of Foreign Affairs, Housing, Planning, Trade, and Justice, in addition to the president of the fund. The board of directors is the highest authority. The Fund began with a capital of (50) million Iraqi dinars, and in 1979 it became (200) million dinars. Among its tasks are setting general policies for investing the Fund's money, deciding on contributions to development projects and programmes, approving the terms of loans, deciding what the Fund borrows for its own account, and following up on Iraq's multilateral and bilateral financial and external relations. Everything related to the management of its contributions to international, regional and Arab organizations, funds, bodies and joint companies, and everything related to external loan agreements and tax agreements with abroad. First: The Fund's objectives:

1- Granting development projects medium- and long-term loans to developing Arab countries on concessional terms.
2- Contributing to development projects, especially those of an investment nature that are characterized by Arab economic integration.
3- Employing public and private funds to ensure the development of economic development processes in developing Arab countries.
4- Providing expertise and technical assistance in various areas of economic development in developing Arab countries.
5- Financing engineering studies and studies related to the economic feasibility of projects.
6- Cooperation and coordination with Arab and international development funds and development funds with similar purposes to which Iraq contributes. Second: The Iraqi Fund's returns: The Iraqi Fund's returns consist of the following:
  a. The Fund's share in its contributions to joint Arab companies.
  b. Interest on loans granted to flag countries and Arab and regional institutions.
  c. Returns on investing liquidity in local and foreign banks.
  d. Returns from technical and economic feasibility studies conducted by the Fund alone or in cooperation with other institutions.

5. Proceeds from investing its funds in guaranteeing shares and securities for projects in which the Iraqi Fund has previously contributed.

Analyzing the results according to the sustainable balanced scorecard: In this research, the balanced scorecard technique will be applied to evaluate sustainable performance with its five axes (financial, customer, internal operations, learning, growth and social perspective) to the External Development Fund due to the Fund's lack of a modern system for evaluating sustainable performance for the years 2017, 2018 and 2019. . First: The financial axis: The balanced scorecard maintains the financial performance axis at the front of the card because it represents a summary of the economic results resulting from achieving the Fund's sustainability, as this axis aims to create value for the economic unit by achieving growth in revenues and improving productivity, Tables (1) and (2)) and (3) show the indicators, data, and results that the researcher used in studying the financial focus of the fund during the calendar years.

Table (1) Summary of indicators of the financial axis of the balanced scorecard

Indicators	The Method Of Calculation By Equation
Pointer	= (Current assets / Current liabilities) x 100
Turnover	= Net profit / Total assets
Return on investment rate	= Net profit / Equity
Return on equity	= Operating revenue - Operating expenses
Profit Margin	= (Current year income - Previous year income) / (Previous year income) x 100

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Table (2) Data required to calculate the indicators of the financial axis of the balanced scorecard

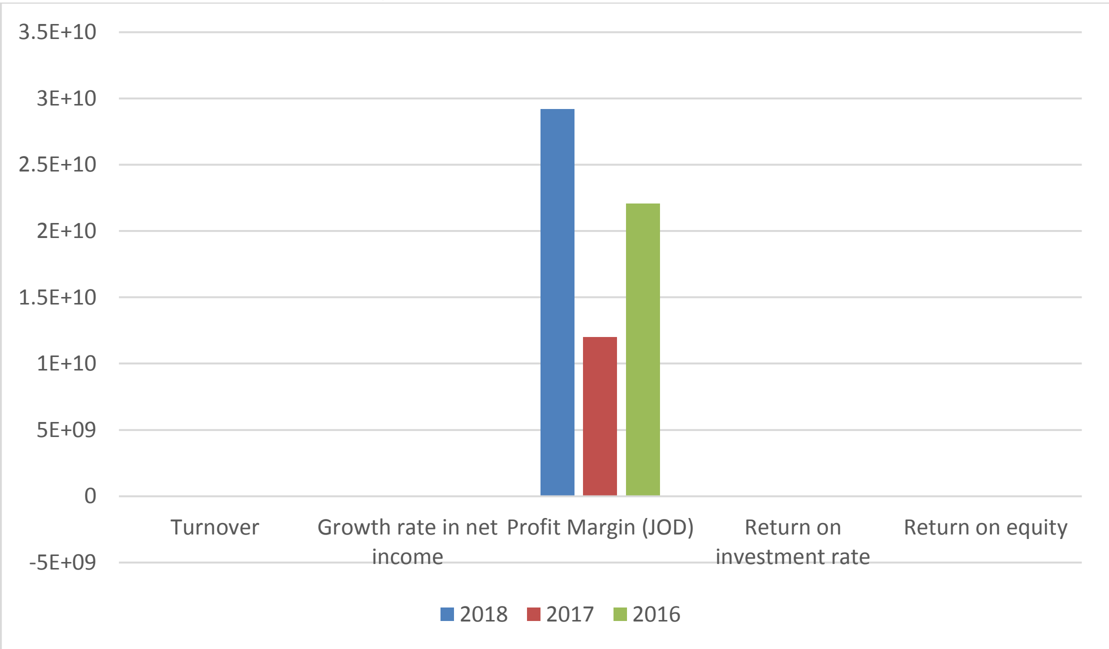
Years	2016	2017	2018
Current Assets	2191895551683	2190873241867	2160024531576
Current liabilities	2192144739600	2191290971377	2160421918961
Operating Income	23119915246	13184649468	30508812269
Operating expenses	1065910688	1167177284	1308767235
Total assets	2192144739600	2191290971377	2160421918961
Right of ownership	2162266985681	2132608914616	2173264579684
Net Income (Profit)	22053861558	11994650184	19458958546

Table (3) Summary of Financial Pillar Results

	2016	2017	2018
Turnover	0.9999	0.9998	0.9998
Growth rate in net income	-3	-84	38
Profit Margin (JOD)	22054004558	12017472184	29200045034
Return on investment rate	1	0.5	0.9
Return on equity	1	0.6	0.9

It is noted from the previous analysis of the financial axis that this ratio expresses the fund's ability to use its current assets to pay its short-term obligations. It is noted from Table (3) a decrease in the trading ratio, as this ratio reached (1) for all calendar years in a row, while the net growth ratio Income was (-3%) in 2016, decreased in 2017, then increased by 38% in 2018. This is a positive indicator of the fund's ability to generate revenues, and this is also linked to the profit margin index, as it decreased in 2017 from what it was in 2016 and then increased in 2018, which indicates a positive growth in the fund's revenues and may be the reason for the fund's direction towards increasing investments, and this can be **explained as follows:**

Figure (2) shows the indicators



Second: The customer axis: For the purpose of measuring the extent to which the fund fulfills the needs and requirements of its customers (investors), an examination form was prepared, and the paragraphs of this form revolved around a set of indicators based on reports and observations of the Federal Office of Financial Supervision, representing (20 investing countries and five recurring paragraphs, so that the total number of paragraphs becomes 100 paragraphs). On this basis, the

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ratios were analyzed in Table (4), and the results of the examination and their relative importance can be stated.

Table (4): Results of the examination form

Items	no		yes		Materiality
	Repetition	Ratio	Repetition	Ratio	
Is there a plan to implement expenses during the year?	45	45.0	55	55.0	67.5%
Does the fund provide a list of instructions, investment principles, and returns?	59	59.0	41	41.0	70.5%
Does the fund monitor revenue collection in a way that is announced to investors?	38	38.0	62	62.0	69.0%
Are the necessary investment instructions available on the fund's website in terms of procedures with easy access to them?	72	72.0	28	28.0	64.0%
Does the fund clarify a plan for troubled investment companies by preparing a study to demonstrate the feasibility of continuing these investments and following them up?	24	24.0	76	76.0	62.0%
Does the fund provide clear mechanisms for companies subject to liquidation?	13	13.0	87	78.0	56.5%
Does the fund pay its due shares, such as the treasury share, and does it provide a way?	24	24.0	76	76.0	62.0%

To determine the direction of the examination, the researcher used proportions and frequencies for each paragraph, and the results were as follows: For the first paragraph, the response rate was "yes," meaning available for this paragraph (45%), while the response rate was "no," or not available (55%). This means that the plans drawn up by the Fund are not being implemented accurately, which is consistent with the observations of the Financial Supervision Bureau. As for the second paragraph, the response rate was "yes" (59%), while the response rate was "no" (41%). Although the paragraph received a higher degree of "yes" due to the availability of the above-mentioned instructions, it is noted that there is a similar percentage that sees the opposite, while in the third paragraph, the percentage of answers was "yes" for this paragraph (38%), while the percentage of answers was "no" (62%) This means that the Fund does not permanently follow up on revenue collection. Third: The internal operations axis: It includes all the vital internal activities and events that distinguish the economic unit from other units that meet the needs and requirements of customers. It focuses its measures on the operations that have the greatest impact on customer satisfaction and financial goals. The goal of the internal operations axis is to deal with efficiency. Quality and information technology, and tables (5) and (6) show the indicators and results necessary to study this axis.

Table (5) is a summary of the indicators of the internal operations axis of the balanced scorecard

Scale	Calculation method by equation
Fund Productivity	= Operating Income / Operating Expenses
Productivity growth	= (Current year's productivity - Previous year's productivity) / (Previous year's productivity) x 100

Table (6) Summary of Internal Operations Results

	2018	2017	2016	2015
Fund Productivity	23	11	22	20
Productivity growth	%51	%-97	%9	-

This indicator indicates the Fund's ability to use its available resources. The higher this rate indicates the better the Fund is using its available resources, and vice versa. The Fund's productivity rate during the calendar years reached 18.6, as productivity reached its highest level in 2018, which was 23, while its lowest level was 23. In 2017, it was 11 times. As for the index of change in productivity (growth), this index measures the Fund's ability to improve productivity from one specific period of time to another. The highest change in productivity was reached in 2018, reaching 51%, but it decreased significantly during the years 2016 and 2017, so it was The

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change in productivity (-9 and -97%), respectively, is due to the increase in fund expenses and the decrease in investments. Fourth: Learning and growth axis: This axis focuses on paying attention to the intellectual capabilities of workers, their skill levels, information systems, and administrative procedures, and trying to adapt them to the era in which the economic unit lives Tables (7) and (8) show the indicators, data, and results reached in this axis.

Table (7) Summary of indicators of the learning and growth axis of the balanced scorecard

Indicator	Calculation method by equation
Employee productivity	= net profit / number of employees
Turnover rate	= number of employees leaving / total number of employees

Table (8) Summary of the results for the learning and growth axis

Indicator	2018	2017	2016
Employee productivity	879168524	223103326	471726262
Turnover rate	%3,5	%1,1	%1

The worker productivity index measures the extent to which workers gain experience and complete the tasks assigned to them with the least possible resources (such as time, work supplies, and energy), as the worker productivity rate reached approximately (500) million dinars during the years (2016-2018), as this productivity reached the highest level. Its levels in 2018 were more than (879) million dinars, and it reached its lowest levels in 2017, reaching approximately (223) million dinars. As for the employee turnover rate, the employee turnover rate reached (1.8%) during the years 2016-2018, which is a low rate. It indicates workers' satisfaction and contentment with their jobs and with the salaries and incentives they receive from the Fund. Fifth: The social perspective axis: This axis focuses on paying attention to what the institution provides to the surrounding community and administrative procedures and trying to align them for the purpose of sustainability. Tables (9) and (10) show the indicators, data and results reached in this axis.

Table (9): Summary of indicators of the social perspective axis of the balanced scorecard

	Calculation method using equation
Employment of workforce	= (number of employees in surrounding areas of the fund / total number of employees)*100
Share of future generations	= net profit / treasury reserve

Table (10) Summary of results for the learning and growth perspective

	2018	2017	2016
Employment of workforce	%5	%2	%1
Share of future generations	2	2	2

The labor employment index measures the extent of the unit's ability to employ workers from areas adjacent to the unit so that the surrounding community can benefit from that institution, as it reached its highest level in 2018, when employment was (5%), and it reached its lowest level in 2016, approximately (1%), which is A low rate compared to the proportion of employees, while the share of future generations reached (2 times) during the years 2016-2018, and after presenting the previous analysis of the results, the points for the evaluation can be stated:

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Table (11): Distribution of evaluative scores on the balanced scorecard axes

	Indicator	Score
Financial axis	trade rate	5
	Growth rate in net income	5
	Profit margin	5
	Rate of return on investment	5
	Return on equity	5
	Total financial axis scores	35
Customer axis	Expenditure implementation plan	2
	List of instructions	2
	Follow up on revenue collection	2
	Instructions necessary for investment	2
	A plan for distressed investment companies	2
	Mechanisms for companies subject to liquidation	2
	Provides good investment sites	3
	Total customer axis score	15
Internal operations hub	Fund productivity	12
	Increase productivity	8
	Total scores for the internal operations axis	20
The focus of learning and growth	Employee productivity	10
	Employee turnover rate	5
	Total scores for the learning and growth axis	15
The focus of the social perspective	Employing the workforce	10
	Share for future generations	5
	Total scores for the social perspective axis	15
	The sum of the card's axes	100

Ninth: Evaluation scores for the Development Fund according to the balanced scorecard: Performance evaluation standards represent the best level of performance that can exist inside or outside the company, and thus serve as the guiding values for its performance. These standards usually result from a careful study of the company's internal operations, as performance standards are usually of two types. They are: (Al-Naimi, 2017: 148). 1. Ideal standards: They represent the best level of performance under the best conditions imaginable, for example, there is no damage or loss in production. 2. Achievable standards: They represent a good level of performance that takes into account the company's energies and available capabilities. For example, allowances are given for normal damage and loss. The fund (study sample) can use the second type of standards to evaluate and improve its performance in the future in view of what the environmental reality imposes at the present time. The standards Idealism can be characterized by perfection, so to speak, and the possibility of achieving it is extremely difficult to achieve in the current business environment. Therefore, it requires specifying performance standards in light of the results applicable in the practical aspect, as they are usually targeted performance standards set by the fund's management based on its accumulated technical expertise in the fields. Operational and financial matters in particular. We sought the opinions of specialists in the financial and statistical aspects, especially the administrators working in the Fund, to determine a set of standards and ratios that are relied upon to evaluate the Fund's performance for the purpose of knowing the evaluative scores achieved by the Fund, which were reached in Table (12).

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Table (12): Evaluative scores for the balanced scorecard axes

	the scale	Standard	Approved distribution ratios	2016		2017		2018	
				Degree	indicator	Degree	indicator	Degree	indicator
Financial	trade rate	5	2 and above						
		4	1,5-2						
		3	1-1,5						
		2	0,5-1	2	0.99	2	0.99	2	0.99
		1	0.5 or less						
	Growth in net income	5	300% and above						
		4	225%-300%						
		3	%150-225%						
		2	75%-150%						
		1	75% or less	1	-3	1	-84	1	38
	Profit margin (million dinars)	5	3000 or more	5	22054	5	12017	5	29200
		4	2250-3000						
		3	1500-2250						
		2	750-1500						
		1	750 or less						
	Return on investment	5	40% or more						
		4	30%-40%						
		3	20%-30%						
		2	10%-20%						
		1	10% or less	1	1	1	0.5	1	0.9
	Return on equity	5	60% or more						
		4	45%-60%						
		3	30%-45%						
		2	15%-30%						
		1	15% or less	1	1	1	0.5	1	0.9
	the total			10		10		10	
the customer	Expenditure implementation plan	2	45.0	1		1		1	
	List of instructions	2	59.0	1		1		1	
	Follow up on revenue collection	2	38.0	1		1		1	
	Instructions necessary for investment	2	72.0	2		2		2	
	A plan for distressed investment companies	2	24.0	1		1		1	
	Mechanisms for companies subject to liquidation	2	13.0	1		1		1	
	Provides good investment sites	3	24.0	1		1		1	
	the total			8		8		8	

Internal operations	**Fund productivity**	**12**	**1.5 and above**	**12**	**22**	**12**	**11**	**12**	**23**
		6	**1 or less**						
	Increase in productivity	**8**	**30% and above**					**8**	**51**
		4	**30% or less**	**4**	**9**	**4**	**-97**		
	the total			**16**		**16**		**20**	
Learning and growth	**Employee productivity**	**10**	**10 million and above**	**10**	**471**	**10**	**223**	**10**	**879**
		5	**5 million or less**						
	Employee turnover rate	**2**	**1% and less up to 2%**	**2**	**%1**	**2**	**%1,1**		
		5	**2% and above**					**5**	**%3,5**
	the total			**12**		**12**		**15**	
The perspective is social	**Employing the workforce**	**10**	**10% or more**						
		5	**Less than 10%**	**5**	**%1**	**5**	**%2**	**5**	**%5**
	Share for future generations	**2**	**Less than 1**						
		5	**1 and above**	**5**	**2**	**5**	**2**	**5**	**2**
	Total		**Approved distribution ratios**	**10**		**10**		**10**	

Seventh: Preparing the balanced scorecard for the Development Fund: After the proportions of each indicator have been determined and the grades have been allocated to each level, as shown in the table below, we will display the results of the balanced scorecard for the Fund during the calendar years from 2016 to 2018, and as shown in Table (13).

Table (13): Summary of the scores for the four axes of the balanced scorecard

	2016	2017	2018	Correlation coefficient
Financial	10	10	10	0.66
the customer	8	8	8	0.66
Internal operations	16	16	20	0.76
Learning and growth	12	12	15	0.65
Social perspective	10	10	10	0.66
the total	56	56	63	-

It is noted from Table (13) that the fund's performance level during the years 2016 and 2017 was at a weak level from the point of view of the balanced scorecard, then it rose to a moderate level during the year 2018, and Figure (3) shows the graph of the fund's performance level according to the balanced scorecard technique. .

From the above, we can conclude that the fund's performance is not good and faltering, with more than 20 observations made by the Federal Office of Financial Supervision that the fund did not adhere to, most notably non-payment of loans, faltering investments, failure to implement plans, and exceeding financial appropriations, as well as non-payment of the public treasury's share, which represents wealth for the country. . As for the relationship between the axes of the balanced scorecard, the researcher calculated the correlation coefficient between the four axes of the balanced scorecard, as shown in Table (13). It was noted that the axis of internal operations has a good correlation, as the correlation coefficient reached (0.76), and a lower relationship with regard to The financial, customer, learning, growth, and social axes, as the correlation coefficient for them reached (0.66 - 0.65), and this confirms what the balanced scorecard states, that improving the axes of the balanced scorecard will be reflected positively, thus leading to improving the sustainable performance of the fund, which is reflected in its impact on customers. The Fund represented by investments, as well as its positive impact on the management and employees of the Fund in particular. Thus, the researcher was able to harness the balanced scorecard method as one of the sustainable performance evaluation techniques to evaluate the sustainable performance of the Development Fund.

Conclusions:

1. Focusing on integrating financial and non-financial measures for economic units helps evaluate their performance through the availability of information that helps formulate strategic goals.
2. The lack of integration between the upper and lower levels of management leads to a strategic problem in applying the sustainable balanced scorecard by applying it within the limits of the upper levels.
3. The criteria for evaluating financial performance, namely leadership, individuals, knowledge, operations, and finance, need to take into account indicators that are consistent with the nature of the activity in question in a way that simulates the reality of the activities and is not based on general points and indicators that may be relied upon but are not accurate.

Recommendations:

1. When applying the balanced scorecard, the Development Fund must take into account all its axes and not focus on the financial axis only because it does not give a clear picture of the unit's performance.
2. The necessity of developing strategic plans to operate the Fund's resources well in order to achieve a satisfactory level of profits.
3. The Fund should apply the balanced scorecard as an integrated framework because it achieves many advantages, such as competition, in addition to the necessity of using financial and non-financial indicators in the measurement process when using the sustainable balanced scorecard. 4. The Development Fund should pay attention to non-financial measures to measure the unit's performance, such as customer satisfaction, improving services, and paying attention to the environment and society.

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