

Comparative Studying of Budgeting System of East Azerbaijan Municipalities of Iran and Some Other Cities

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Abstract: Today part of duties and reconstructive – executive and service of governments is implemented by authorities or local governments, the same as Islamic city councils. This strategy depends on this opinion that citizens should be participated in decisions relative to themselves and affect their life. Municipalities one the most basic unit of local government system and national authority of different are as of a government system and notional authority of different areas of a government is done by them. Municipalities receive legal based taxes from citizens in order to implement national authority in national domain and instead, it provide some services for them municipalities receive taxes and other local and national resources and integrate and collate with relative decisions for implementing part of national authority in order to reach certain aims or certain production. This process which is called budgeting, is the most important decision made in municipalities. So, budget of municipalities contains policies, planning and actions which are necessary to implement national authority in cities. So in this paper, in addition to analyse scientific methods and to provide exact and clear planning and budgeting, we consider trade of typical cities specially about allocation of investment (reconstructing credits and we compare their budgeting with Iran's municipalities budgeting in East Azerbaijan.

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1. Introduction

One of distinctive environmental features of commercial system with general one's is budgeting. Budgeting system and budgetary control play unique role about raising general responsibility level which caused rules prescribe based on budgetary control respect in basic and pertaining rules of different countries from one hand, and editor councils of accountancy standards in developed countries and International systems, pay special attention to budgeting and budgetary control respect in basic and pertaining rules of different countries from one hand, and editor councils of accountancy standards in developed countries and International systems pay special attention to budgeting and budgetary control in their statements and guidelines from another hand. However, in our country primary principles of budgeting in different rules, budgeting is done based on past methods' guesses, expectations, consideration of increase indexes because of different reasons such as limitations of accountancy system of Iran's general part institutions. Interest in cities is increasing in all world and world and reason of its one part is that by comparing past, more people live in cities, and another reason is that recent tendencies to financial decentralization and globalization highlighted cities importance. To globalize means that these one cities which are competing in International scene, financial

decentralization leads in authority and responsibility transfer from central and state authorities to local stages and municipalities and this affair results in their responsibility about extensive extent of services and substructures which influence budgeting of municipalities.

Budgeting of world municipalities can be classified in four groups during tall summing up of financial resources:

- A) local taxes
- B) value of services and taxes
- C) governmental transfers
- D) receiving a loan from banks and government

Done considerations show that role and portion of each above mentioned groups depends on authority system of relative country.

In countries with socialistic nature and central authoritative authority,

Governmental transfer group usually forms chief figure in relative resources such as Albany Company 44%, Stony 91%. In non central countries, municipalities lean on local taxes, value of services and taxes, and portion of resources regarding governmental transfers is so limited. (Mousavi2003)

Totally, cities need annual budget in order to expend incomes well. Budget consists of a financial plan for special period. Different stages of activities

and urban services, and incomes and costs during a year are distinguished in budget. Budget can cause municipalities to systematize their own costs and also can present statistical information for who pay tax in order to be aware that what decisions and politicizes have been taken into consideration. Totally, an appropriate municipality and members of Islamic councils of cities should be responsible to supply requirements of citizens in the best way and to provide cultural, social and environmental development. So, according to municipalities law approved in 1955, reforms, next joining of clause 55,(Mansoor Jahanghir2010) duties of municipality are:

1) Constructing streets, alleys and squares, public gardens and canals, developing passages according to rules.

2) Cleaning and maintenance of streets and public water supply and Hungarian Ghanavati the city water supply and lighting equipment might

Note 1- public impediment, pavement occupation and non permissible use of them and squares and parks and public gardens in order to live or work are forbidden and municipality should prevent them and should remove obstacles and make free passages and following places by its officers, about installed kiosks before approval of this law, municipality should take action in order to remove them, if owners of such kiosks claims any damage, it should take action according ro commission of clause 77. But if they install them in public passages after approved of this law, municipality should directly take action in order to destroy such kiosks and remove impediment, so, mentioned people can't claim any damage.

Note 2- establishing production installations and supplying electricity and determining its price in cities are municipality's duties until water and electricity ministry hasn't supplied its power with previous agreement of water and electricity ministry.

Providing drinkable water and providing distribution tools and enacting rules regarding it, and also determining water pricy except issues in which? organizations are charged with that.

Such municipalities can consign drinkable water supply and distribution to organizations which act according to health principals, by approving city department and conformity country ministry.

Note 3- charity institutions which were charged with providing water before approval of this law, and their actions confirmed by municipality and country ministry, can continue their actions.

Note 4- municipality should determine special places to offload waste and building waste and sedimentary material of draining, and it should inform people in addition to publish advertisement waste offloading places should be out of city and

establishment place of factories which change waste to fertilizer will be under distinction of municipality.

Drivers of transport are responsible to empty them in determined places by municipality.

Punishment of violaters are determined according to clause 276 of public punishment law, because of trespass, cause are stipulated each time in driving license of violator, if he/ she offenfs the same trespass during a year, in the third time is convicted to maximum punishment and his/ her license is seized for a year and is forbidden to drive.

Mentioned trespass is considered in distinct court.

3) Complete attention and effort in erection of price paper on goods and implementing department decisions about cheapness and plenty of food stuffs and required material and preventing selling of corrupt goods and destroying them.

4) Attention about healthy affairs of citizens and cooperation with ministry of public health for vaccination against small pox and injection of vaccine in order to prevent disease.

5) Preventing beggaring and make beggars to work and developing public education.

6) Implementing Note 1 of clause 8 of obligatory education and establishing cultural and healthy organizations and cooperative society such as supporting institution for mothers, almshouse and orphanage, clinic and hospital and foster home and lunatic asylum, Libran, and class against illiteracy and kindergarten around approved credits and also helping such organizations and cooperating financially with body training department and scouting and helping home and school and job departments.

In such cases and also about museums and cultural houses and prisons, municipality gives lands and buildings belong to itself to relative organizations by approving city council and by preserving ownership freely or with certain situations in order to build and use them.

Note 1- Note of clause 5 of control law on cultural share consumption of municipalities incomes approved 1955/5/18 is remaining.

Note 2- note 59 of budget law of 1960 is remainig.

7) Preserving and organizing chattle and immovable property of municipality and acting for people and defending people actions against municipality.

Estimating and setting budget and supplementary to budget and reforming budget and substracting municipality budget and setting building plan proposal and implementing it. A copy of approved budget and building design is sent to

country ministry by governor or deputy- governor after approving of city council.

9) Doing municipality transactions both buying and selling chattle and immovable properties, contraction and renting after approving city council by respecting goodness and profit and predicted financial regulations rules of municipalities.

10) Dedicating and accepting relief funds and presents by the name of city by approving city council.

Paid relief funds to municipality or charity organizations by ministry of wealth are accepted part of acceptable cost of relief fund givers and relief fund giver is franchised from taxes toward relief fund price which he/ she gave.

11) Control and attention about weight and measures authenticity.

12) Providing statistic relative to city affairs and births and deaths.

13) Constructing place where the dead are washed and prepared for burial and cemetery, providing tools for carrying dead and controlling discipline of their affairs.

14) Thinking effectively and doing necessarily to protect the city against flood and fire, and also removing danger from buildings and broken and dangerous walls of public passages, alleys and public places and private and public long passage ways.

Filling and covering walls and hollows of passages, preventing to put anything on balconies and veranda overlook to public passages that their falling is dangerous for passerbies and preventing drainpipes and chimney of buildings which cause trouble and damage for citizens.

Note- about all of the cases of removing danger from building, removing interruptions inserted in about clause. Municipality issues appropriate notice with extension of time after ??? its technical officer with owners of places or approved particles and if municipality command don't be implemented in certain time municipality directly strates to remove danger by controlling its officers and receives consumption cost in addition to as damage.

Above mentioned rules consists of all public places such as cinema, bath, hotel, teashop, café, restaurant, shopping arcade, which are to- ing and fro-ing place of public.

15) Preventing spread of human and non human disease and announcing them to ministry of health and to veterinary medicine and municipality during their appearance, keeping at distance these patients and curing them, and removing ill or harmful animals.

16) Providing guild rules and proposing them to city council and controlling guilds affairs.

17) Suggesting the reformation of city map and determining reasonable price for lands and buildings belong to people who are required for city according to passage development law, and providing its paying place, and constructing and developing passages, streets, squares and public gardens, and providing required lands for plumbing and drainage both in or out of the city, and also providing lands required for resource building and installing refinement system according to passage development law.

18) Providing and compiling regulation for plenty and good quality and goodness of managing meat and bread selling, and implementing it after approving of city department.

19) Preventing establishment of all places which lead in inconvenience for citizens or they are against healthy principles municipality must prevent to establish factories, workshops, public garages repair shops, shops and also places which produce explosives, and animal stable and animal husbandry centers, and totally must prevent all jobs which result in noise, inconvenience, smoke, injection or gathering of insects.

It must destroy brick, chalk and lime kilns, public bath which are against health. It must prevents air pollution by controlling chimney of houses factories and transports which result in smoke, of above mentioned system had been established before approving of this law, they are transferred out of this city.

Note- municipality must notify cases in addition to give enough time to owners in order to close destroy or transfer system to out of the city. If owner has any complaint about opinion of municipality should present his/ her complaint to certain commission in 10 day time.

Whenever, commission confirms opinion of municipality, or owner doesn't complain or doesn't implement in a certain time, municipality directly take action by its affairs.

20) Establishing building required by place such as laundry, wc. Public bath, slaughter house, squares, children gardens, stadium according to profit and technical principles, and thinking about construction of cheap houses for poor people.

21) Cooperating with culture for protection of ancient works and places, public buildings and mosques.

22) Effort in regarding healthy conditions in factory, and controlling bath, and looking after poor and founding children.

23) lissuing license for all buildings of city

Note- in cities where comprehensive map of city has been provided, municipality must stipulate the kind of building use according to mentioned map norms in building licenses.

If a job place or job or trade is established in noncommercial area against content of building license, municipality discusses the case in commission retains trespass of owner or renter decides in a month time.

This decision is done by municipality affairs, and if a person uses building for business after closing it, she/ he is condemned to ??? from six months up to two years and to pecuniary from 5 thousands and a rial up to 10000 rial, and place of business is closed again.

Establishing lawyer's office, formal documents office, marriage and divorce office, newspaper and magazine office and engineering office isn't commercial use according to this law.

24) Constructing streets and asphalted roads and pavements of public passages and alleys with cost of each local's municipality.

Note- it has been deleted.

25) suggestion of appointing or canceling city taxes and also changing kind and range of taxes both importing or exporting goods and domestic production, and sending a copy of decree to inform ministry of country.

Note 1- more than 1% of price of goods shouldn't belongs to tax in order to reinforce exports of country toward export grade goods.

Note 2- passing goods from cities which are carried for special aim are tax- free to pay to municipalities.

Note 3- clause 1 of approved law in 1954 Bahman regarding reinforcement of exports and production has been reformed according to Note 1 of this part from its approving date.

Note 4- tax- free regulations of municipality and refusal of it. Settled with agreement of country ministries and will be implemented after approving minister council.

26- enacting special rules to name passages and installing notice board and removing advertisements from non permissible places and doing any affair which is effective for cleanness and beauty of city.

27- issuing business license for guilds, all guilds must receive business from municipality for their business place.

Note- municipality can take action directly or by its affairs toward closing of business place which is without license. Municipalities enact rules and laws to do following actions.

They receive taxes according to tariff of local taxes approved by cities Islamic councils. They

take in to consideration fines for people who violate local rules. They give cost of using services for providing them. They compile development plans and receive a loan to their financial provision and totally budgeting to do their duties. Budget of municipalities show political decisions required for doing their duties with relative financial resources.

So, in this study, we try to state principles of providing a planning and exact budgeting as well as considering experiences of several cities specially about allocation of investment (reconstructive) credits. City decision makers aren't under pressure of short term environmental decisions.

In their idea, price of taxes on wealth based on political pressures are stable according to proposed model. So costs contain everything until system react against income changes.

Environment doesn't change budget reformation directly but income limitation changes budget. (Aroon vida vesky1997)

This study, first, considers provision and setting of plan and budgeting of municipalities, and there are experiences of cities about the way of allocating investment (reconstructive) credits.

2. Budgeting principles in municipalities:

In Iran, municipality is an approximately 100 year old organization and because of its excessive oldness and existing records, municipality hasn't become vested in enough authority in order to manage city affairs correctly and enough control on appropriate city development.

Parallel with rapid development of cities and expansion of city activities, organizational structure and human power of most municipalities haven't met any basic necessary changes.

Up to now, municipalities haven't become vested in not only independence as a local organization, exerting self- sufficiency policy of municipalities which is expansive one, needs the formation of essential organizations and establishments and determining of essential credits resources in order to primary investment and change of existing rules. Municipalities law should have basic review proportionate to existing conditions and new law should be complied by the aim of enough authorities delegation and essential arrangements adaptation in order to earn more money. Organizational structure and human power of municipalities should be changed proportionate to their real stand and esteem with the aim of deleting unskilled and unnecessary staff, and structure proportionate to new law of municipality and new aims and policies regarding management and self-sufficiency of municipalities should be designed in all fields.

Management structure of municipalities proportionate to new aims and present conditions of cities and expectations of citizens should be controlled and changed. Necessary changes in methods of managing city affairs, presenting services and implementing reconstructive plans proportionate to new aims and present conditions of cities should be done. Using appropriate methods and mechanizing correctly, presenting some services and automating activities should be done in order to decrease human power and make affairs electronic and decrease costs. Some useful affairs have been done by ministry of country, organization of municipalities and office of the governor general.

So, we can mention to approval of organizational chart of state municipalities and municipality based organizations, imitation of employing permissions which have been in vacuum for years, legislation of credit distribution.

3- Budget definition:

Budget is a word with Latin root which is familiar in Persian because of repeated usage and has special meaning in formal and legal writings. Budget definition and necessary points about it according to financial regulation of municipalities are as follows because of its meaning and legal fruit. (Madani – Davood2005)

Clause 23:

Annual budget of municipality consists of a comprehensive financial plan in which all services and activities and actions that should be done during financial year alongside estimation of price and costs and necessary income to provide cost of its implementation is anticipated and it can be implemented after approving Islamic city council.

Clause 24:

Period of budget action will be until 15th of Ordibehesht of next year in each year, and commitments which are fulfilled until end of Esfand in each year can be paid until end of budget action period from relative credit place.

Clause 25:

Budget of municipalities should be set according to plans, duties and different actions and costs. The way of plan setting, budget and the way of duties and activities separation and budget conformity with plan and also the way of income and cost estimation are due to an instruction which will be approved by ministry of country.

Clause 26:

Responsibility of municipality budget setting and controlling its good implementation and also setting budget are duties of mayor and financial affairs responsible and alienating these duties by mayor for other officers won't remove responsibility.

Mayor must hold meeting of city council three days in week by using his/ her authority according to part 12 of clause 71 of Islamic city council duties as soon as he suggest budget or ?? budget to Islamic city council. He/ she must participate in meetings and explain about their content.

Time of final approval of annual budget by Islamic city council and its notification to municipality is until first of Esfand of previous year according to clause 67 of law. Mayor must inform cases to governor or governor general and in municipality.

He/she inform them to ministry of country, if city council doesn't do its legal duty at the head of mentioned time in order to put into practice according to reformatory clause 14 of municipality law.

Clause 28:

Mayor can decrease or increase up to 10% the approved credits of budget for each of cost causes or activities in a duty. In such a manner that he/ she should not be more than total credits approved for that duty.

Financial year of municipalities is a solar year which begins from first of Farvardin and ends in the end of Esfand. Numerous principles which prevail over municipalities budgeting system consist of:

1) Annual principle, municipalities budget should be provided for a financial year according to this principle.

Most experts believe that annual budgets are more economical and logical because budget based on prediction and their fulfillment after a year is decreased and from another point budget prediction in less than a year isn't economical.

2) Comprehensiveness principle: budget must contain completeness features and include ness according to this principle.

3) Unity principle all income and costs should be reacted in certain time and unit document.

4) Flexibility principles: according to this principle, managers are allowed to transfer credits from one clause to other one or one chapter to other one, provided that they don't exceed credits of local authority.

5) Legal principle: mayor contains budget which is practicable after approval of city council.

6) Income centralization principle: all collected prices should be collected in account and should be centralized with control of Islamic city council.

7) Credits separation principles: separating credits into chapters of reconstructive and current one

and limiting allocation of credits to current titles one principles prevail over municipality budget.

8) Incoming and costs principle: enacting taxes should be presented proportionate to economical facilities and services of place, so that incomes be anticipated or municipalities costs become balanced.

9) Credits consumption in municipality principle: credits consumption approved by city should be exclusively in the domain of some municipality by control of Islamic city council. (Ebrahim Nezhad – Mehdi2005)

4- Stages of municipalities budgeting:

First stage: budget provision and setting

- Dealing with forms and procedures- budget provision and setting of municipalities is done according to instruction.

- Dealing with content

- saying inadequacies and requirements of municipality plans

- Respect to principles and policies of country and local level in the field of city reconstruction.

- Budget must contain certain strategies and policies and should be observed in 5 year old planning.

- Respect to circular letter of municipalities annual budget second stage: budget approval

Clauses 65 of municipalities law

Each municipality contains budget which is practicable after clause 67 of municipalities law.

Municipality must suggest annual budget to city council until end of Day. And city council must consider and approve it before Esfand of each year and also municipality must present budget ?? of each year to city council till the end of ordibehesht in each year, and city council must consider and approve it all the end of khordad.

Third stage: budget implementation

Clause 26 of municipality financial regulation

Controlling the good implementation of budget is duty of mayor and financial affair responsible.

Clause 66 of municipalities law- financial year of municipality begins from first of Farvardin and ends in ends of Esfand.

Note 1 of clause 68- credits consumption of municipality must be expended in the same domain.

Clause 71 about presenting comprehensive form of income and cost of municipality in order to inform to public.

Clause 72 consuming taxes and incomes of municipalities in the same city.

Clause 79 municipalities payments on the positive strength and according to respect financial regulation.

Clause 24 financial regulation- budget action period till 15th of ordibehesht of next year.

Clause 28 regarding decrease or increase of approval credits by mayor up to 10%.

Clause 37. of the funds have come from the municipal fixed income account, the cost to them is forbidden.

Fourth stage: budget Settlement:

It is the last stage at municipalities which become essential after the end of budget implementation.

For the budgeting of municipalities, first country policies should be considered which are explained as below:

- View of Islamic Republic of Iran in 2025 A.H.S

- Total policies of fourth development plan and documents of fourth development plan.

- Guidelines of budget circular letter of a year in municipalities affairs:

- Creating structure and necessary readiness to implement clause 137 of fourth development plan law and to move towards management of city.

- transferring unnecessary offices to private part.

- Developing information technology and anticipating necessary actions towards electronic municipality.

- developing public transformation and rail lines.

- Caring and increasing permanent and active income total policies of budget in 2011 in municipalities:

1) Implementing anticipated duties in five year old plan

2) Respecting budget policies of 2011 regarding ministry of approval by Islamic cities council.

3) Continuing transparency of budget according to commission, plan.

4) Caring outputs and results in budget setting.

5) Trying to fulfill the permanent incomes of city by focusing on receiving taxes depend on municipalities in law of tax on increased value.

6) Respecting economical principle, keeping away lavishment and deleting unnecessary costs and directly consumptions towards correct consumption model.

7) Moving towards agility of organization in order to increase quality and profit by humanity and physical investments.

8) Providing opportunities for mass participations for managing city affairs by focusing on keeping away and decreasing incumbency and increasing citizen's satisfaction and not doing activities practicable for private part and systematization instruction of transferring utilization of cultural, social, religious and artistic places of municipalities.

9) Trying towards absorbing mass participation and charity resources in cultural, social and economical domain by using reinforcement tools.

10) Anticipating new methods to implement social and service projects by private part participations.

11) Transferring credits of regional projects implementation to alleys and margins of cities.

12) Decentralizing and entrusting authorities by focusing on region- oriented policy and parish approach.

13) Necessary anticipations to develop research in framework of municipalities research system.

14) Providing to suggest new projects except for cases which are confirmed by Islamic councils and planning council of provinces.

16) Increasing social happiness by focusing on social and cultural approach of municipalities via anticipating necessary supports to develop people activities in the field of cultural- athletic activities, to decrease social damages, and to support groups exposed to danger with activities which a lot of people antrust to it.

17) Efforting to renovate worn-out textures of city

18) Trying to appoint justice in availability of people to services and urban facilities

19) Developing technology and information in order to fulfill electronic city by focusing on development of presenting non performed services to people and citizens.

20) Quantity development and quality increase and immunity of urban transport system and drawing one's trust and increasing trust of citizens about public transportation.

21) Anticipating necessary methods to decrease costs due to implementation of subsidy targeting law on municipality budget.

22) In order to implement the program of evaluating executive management system and creating electronic municipality. It is necessary to respect approaches and the way of doing duties in transport, information technology, cultural and artistic activities, administrative and support services, administrative and urban services.

5- Considering budgeting process and credits allocation in newyork. Budgeting process of new York:

Is one year old process in a financial year. Financial year of new York begins from the first of January and ends in 30th of june. New York charter has transferred responsibility of estimating current or costing budget and reconstructive budget to mayor. Mayor should give it to city council after providing current and reconstructive budget in order to consider and approve it. Each budget consists of several parts. Current budget reconstructive budget and income budget. Current budget presents suggested allocated credits in order to provide services costs of municipality such as paying debt. Current budget then is as contract work that we can consider it as a detailed part regarding each of factors.

Also, costs of personal services about doing contract workers activity is considered as personal services. Budget and reconstructive program which present suggested allocated credits for reconstructive projects for present financial year and 3 consecutive financial years from occurrence of financial crises in 1970s. city council must keep a budget which has been balanced proportionate to total accepted principles in accountancy and according to state law. According to regulations of financial urgencies, New York and city council must provide four year old financial program which is considered once in three months and consists of income and cost anticipation, and distinguishes suggested programs and the way of compensating budget missing portion and finally obtain income budget from different resources such as local taxes, consumers taxes. Budget of new York is formed from current, reconstructive and income budget.

Current budget is a financial program which provides financial resources for city management. It sets prices which are anticipated for current costs of each year. Mayor and city council allocated these prices to factors office of city in budget approval process.

Addition to costs of city management, this budget consists prices which must provide profit and payment of debts costs. Current budget is divided in two parts:

Personal services of salary and advantages to the order of factors. Clerks and non personnel services consist of goods, provisions, facilities, conventional services and payment of oil and phone costs. Current budget is responsible for 2 duties about budget control and posts control. Budget control guarantees that manager doesn't spend more than prices which have been determined for special aims by mayor or city council posts control guarantees that permissible numbers of posts have been occupied in a

?? and employees receive salary to the determined extent. Mayor gives current budget and helping tables present more details about cases which should be determined by current budget.

Current budget is total price which is allocated to because of its duty by city council and mayor. Structure of current budget contains details level relative to itself.

Credit allocation unit forms the most total budget division level. City council confirms and approves current budget of city in this level charter binds credit allocation unit to pay wanted price for personnel and non personnel services for a program, a purpose, an institution or certain activity. (Moore,Rerr 1980)

6- Considering budgeting process and credits allocation in paris:

Authorities of Paris use a financial budgeting system confirmed by law in order to do their duties, to reach to this aim. There are expansive collections of operating organizations and there are effective guarantees about stability preservation of this system by government in order to appoint relative rules and law. However, governmental law gives considerable duties, to urban responsible, makes them free hand to provide income and spend them.

City council of Paris approves primary budget for city and urban department in 30th of June each year. According to law, city budget should be indicator at all income and costs, so it is possible that group of special activities are recorded in helping budgets. This action, make possible the allocation of income and costs for special social affairs. Another main point is that in spite of that budget is indicator of income and costs in one part and another income and cost. In another part, but income helps to stability and balance of financial provision.

It means that, opposite of France government, Paris can't contain missing portion in primary budget, so when there are costs for a projects, above mentioned must have appropriate output in the future to cover created debts. Paris municipalities can borrow freely and determine relative contracts with lenders

- Borrowed prices should be used just in financial investments

- Paying back of origin of such prices should be provided from municipality resources.

Paying back such debts is ordering cost and is done under law. Such costs must be entered in budget for local authorities.

Authorities

Subjects such as print expiry, relative projects and relative rules, charges urban responsible

to publish documents according to euro, America dollars, Japanese's yen, pounds or any other money which are accepted by publisher and broker.

7- Considering budgeting process and credits allocation in London:

It is necessary to find scientific mechanism to allocate budget this subject is unlikely that we claim there is no special mechanism in this budgeting in considering in considering urban budget in London that claims scientific development. Mayor approach about budget is democratic and reactional approach because mayor of London is appointed by direct vote of citizens.

Mayor was appointed by people to answer to concerns of citizens and to consider everyday problems in urban life.

So mayor wants to consider to current problems of citizens and because of his/ her key role, this attitude can be considered in annual budgeting as basic aim.

If, all respected affairs of budgeting, be indirect expression of citizen's problems, we can't be hopeful about planning for enjoying conditions, because most of income conditions or disappeared crises in analyses complexes, don't be understood by citizens. There are 3 stages for planning in London.

First stage of planning is when a mayor after expressing problems and transferring them to 5 member of executive body of municipality (police, urban transportation, fire- fighting, London development Agency, municipality core) asks executive body members to present their required budget and programs to compile final budget. In this section, each part considers its own requirements according to its expertise and by considering concerned cases of mayor.

It is natural that planning of special affair by an expert group (fire- fighting) is one more confidently than by central core in municipality in this manner, first stage of planning is done in heart of energy executive body members of municipality, second stage is occurred when a mayor looks foe dependent counselors by possessing details of program and costs of each of executive body members of municipality in this stage, mayor paces towards realization and integration of budget by using consulting of private and non-private counselor groups in dependent from municipality importance of this consulting is its independence from mayor second stage of planning is done by independent counselor groups. Then it is the turn of presenting budget to city council. City council members begin bargaining about reasonable distribution among areas, and give help from consellers of city council to judge about budget. Third stage of planning is done

by consellers of city council. It is natural that city council criticize budget because of complete independence from municipality (unless, mayor or member of city council, are members of a political party, and even so there won't be any concern for them to criticize each other because of each one's selection by people) the mechanism in this budgeting is to determine total aims by mayor (answering to people's concerns) and to transfer to lower part of executive body and then small and exact planning in lower part (concerned in project implementation) and to refer it to mayor. Planning in small levels has other advantages too. It is natural that lower parts of executive body don't exposed to change and evolution because of its specialized nature. This subject results in their attention to real requirements for from different excitements in planning's and don't changes in planning's hurriedly even by changing management level about orders and new concerns of management. (International organizations2008)

8- Considering budgeting process and credits allocation in Santo Andre Brazil:

This section presents functional approaches for experts and responsible. People who work in public section understand that private governmental management of public prices can create so advantages for joining with No. Achievements of researchers show tools for local government joining budgeting is short term planning and development planning is long term process joining budgeting is a process consists of urgent decisions with joining of local society and local government about final allocation of public investment in cities for a period of a year which is complex, cyclic and transferred process.

Planning by joining budgeting has been begun from 1989.

Joining budgeting is a process in which people of society and local government implement annual program for public investment according to resource of municipality income. Due to this process, activities and aim are defined, resources are allocated. Duties and time table are presented. After there is discussion between people and government regarding program and budget.

Joining budgeting is cyclic, complex and joining process of organizations and conferences which is done regarding support from annual urban budgeting. Municipalities design budgetary suggestion with people and joining is formed in 4 stages during this period in the first stage (inner or mental), secretary of municipality and organizations defines drafts of suggestions and in the second stage (public), mayor and secretary propose a motion of budget with people in meetings in the third stage

(adjustment), budget is adjusted by existing resources and people request, that for this reason, mayor uses financial and technical experts.

In the fourth stage (legislation), final budget become ready and it legal channels are determined. Financial and technical facilities and executive abilities are created by mayor and executive duties of budget are explained in public meetings for people in these meetings, municipality usually speaks with people about budget details and executive rules. So, people participate in decisions. (Fedozzi Luciano 2000)

9- About kinds of income structure in some countries and cities:

1) In America main part of income in local level for some cities are received by taxes of lands and properties consist of land and standing properties in different cities of this country, there are different models regarding tax rate, and a lot of policies relative to building construction and lands function are exerted by these taxes.

Credit helps of federal government belong to local organizations in implementing special policies. We can't consume more than 10% of above mentioned credits in cases except that which weren't anticipated in announced program. Main portion of central government helps belong to metropolises. American municipalities provided 28% of income resources from help of central government, 44 of that from kinds of local taxes and 28% from kinds of direct taxes and services selling in 1991 and 1992.

2) In Britain, consumption tax is received after approval. In this field, housing tax is a case which is received monthly and according to it island value and meters scale.

3) In Lond (Sweden), citizens provide main part of income by paying 31% of income tax annually this payment provides 59% of municipality income. The most important financial for other cases is relevant to governmental helps and equivalent to 13%

4) Financial independency of municipalities in France is main factor of their freedom in financial management and budget affairs.

Financial self-determination of municipalities has been focused through clause 72-2 in the constitution reformations:

- Municipalities can use financial resources which were achieved by them self's.

- Municipalities can enjoy all or part of financial resources of country, so their portion in each kind of taxes should be determined exactly.

- Tax incomes and other special resources of municipalities, forms certain part of their financial resources.

- All new authorities which are transferred to municipalities as decentralization planning, possess resources which are equivalent to what government spent for them.

10- Organizational law of 29th January 2004 regarding financial independency of municipalities created according to mentioned clause, determines special resources of municipalities:

Taxes and charges form the main financial resources of municipalities inference and the second resource is governmental help as current budget provision of local authorities, installations and facilities . receiving loan is the third resource in France costs if doing urban services is more than capacity and budget of local formations in France. Lion city with budget of 18 milliard Frank has problem in order to provide costs and prices. Limited part of financial resources is provided from citizens taxes and governmental helps only cover costs of services. Around 50% of local tax are provided from organization and companies, and 10% from transportation. Central government shares costs of services as much as local formations. Government as a borrower can provide investments regarding urban services up to 75% presenting information about financial costs of municipality to public is a positive policy which was exerted and provide mass participation absorption.(municipality, municipalities N 13, page 30)

5) Municipality of coalalampour became financially independent in 1948. Its basic income resources consist of legal, credits and governmental loans. Main income resources of municipality can be: income due to assessing and controlling the building, permissions, business licenses and wages due to planning. Municipality receives cost of permission issuance according to local authority law.

Branch issued permission, receives the minimum of 200 dollars per building. Play, music, singing saloons must pay their own legal charges to municipality 14 day before their performance, according to theater and healthful recreations law. Other income resources are architect tax, exhumation permission tax, operated direct by government agencies, daily market permission and pedlary tax.

Kiosk permission in municipality tax, tax due to private parking permission, tax of hanging advertising tables in addition, municipality receives of considering building plans, selling building plans contain permission, establishing parking, vaccination services, establishing healthy centers, removing pollutant resources and decorated plants.(Tavakoli – Mehmoosh2000)

In Iran Azerbaijan cities, recently the main portion of income has been provided from selling place of accumulation surplus. During 1380-1388 49% of its income were provided from mentioned place of charge and totally 76% of that were provided from place of construction tax, Permissible or non-permissible. From other point, the most important and appropriate income which is urban renewal and reconstruction tax, allocated limit figures to itself so that portion of this charge was 1/4% during mentioned period.

11- Considering budgeting process and credits allocation in East Azerbaijan municipalities:

According to clause 1 of urban renewal and reconstruction law approved 1347, they must provide basic programs and comprehensive plans towards performing basic duties such as establishment, reformation and development of passages, construction of parks and parking squares and protection of parks and public gardens and provision of other required public installations, renewal of alleys, control of balanced growth of cities. According to clause 23 of financial regulations of municipalities, municipality annual budget consists of a comprehensive financial program in which all services or activities or actions done during a financial year, is anticipated with estimation of price and costs and income required for provision of their performance cost and it is practicable after approval of Islamic city council. By attention to clause 25 of financial regulation of municipalities, municipality budget should be set based on programs and duties and different activities and each of their cost the way of setting program and budget and budget deficit and the way of separating duties and activities and conformity of budget with program and also the way of estimating income and cost are due to an instruction which is approved and notified by ministry of country.

On the strength of clause 79 of municipalities law and clause 34 of financial regulations of municipalities, all municipalities payments should be acted around approved budget and on the strength of positive and respect financial regulation rules. Not performing terms of mentioned legal clauses, results in doing activities of Tehran municipality without plan and without perusing determined aims and done actions will be non-assessable, and each year more amounts are spent for costs of disapproved projects and will be remained in municipalities as invalid projects, and their completion need large amounts of money of municipalities.

Budget and reconstructive credits suggestion in municipality units is provided and set according to

budget circular letter which is notified to office of the governor general by municipalities organizations of ministry of country, and by relative rates, suggestions are considered superficially in domain of relative cities municipalities of each activities due to non-resistance of compiled plan and aims. And they are sent to financial affairs or budget office as a suggestion of executive units after collection. And in mentioned unit, managers and assistances try to receive required credit. And assessed credit become as an approved budget because there is no program based on budget and there is no correct estimation of projects total cost. Total office of program and credits budget set projects in such a way that there be balance between income and credit provision resources with current and reconstructive and sundry credits and compiled budget is sent to Islamic city council by municipality signing to be approved. Suggested budgets received to Islamic city council are considered in economical commission as basic commission and enquired reforms are exerted in budget and are notified to municipality in order to be performed after approval in Islamic city council.

Mentioned process isn't functional because of lack of 5 year old plan and determined aims, lack of briefing studies for projects and determining scale of their efficiency in fulfillment of plans, lack of consideration and analysis of projects profit and cost, lack of consideration of complementary projects and substitute projects. By attention to inter action between municipalities and Islamic city council, it is difficult to institute coordination between them, and so it is difficult to divide affairs clearly between them. There is no certain relation between annual budgets of municipality and its operational plans in rules and law because of lack of 5 year old plans of municipality.

Deity of studying cad considering income and other credit provision resources and also controlling deployment of actions and totally budgeting based on principled and scientific plan haven't been performed, and correct estimation of projects costs and assessment about success fullness and efficiency of plans condo reconstructive projects weren't possible, However this affair is one of resources best allocation principles. Determining index is basic affair of plans fulfillment and project performance in order to distribute reconstructive credits among areas, programs and plans because reconstructive credits allocated to areas are based on scale of municipality connections with central units.

Compiling index of reconstructions credits distribution has merits of cretins balance between areas and municipally uruts , and credit distribution is proportionate to necessities and requirements. Confidence about presenting same services and

prevention of displaying population among areas by using urban facilities to receive services and more effective ness towards fulfillment of developmental plans aims can be other merits.

12- Adding up and presenting appropriate solution:

By attention to legal norms and criteria and provision , setting, approval, performance and control methods in budget of East Azerbaijan municipalities, we can express that instituting coordination between two units is difficult due to interaction between municipality and members of Islamic city council lack of clear interaction and coordination, affairs division isn't clear between them. Place and necessity of compiling a 5 year old program in rules weren't cleared correctly , and so there is no certain detailed relation between annual budgets of municipality and operational programs. By joining and experimental budgeting which was expressed in the form of participation of society people and municipality in Santo Anclre Brazil provided an appropriate approach to compile 5 year old plans of municipalities and annual budgets.

Determining indexes in order to distribute reconstructive credits among areas and programs and plans ore basic issues of fulfilling programs and performing projects in determined time. Compiling index of reconstructive credits distribution can leads in balance among zones of municipalities and confidence about presenting same services and prevention of replacing population among zones and alleys to receive services or as of urban facilities. Creating rational and clear relations in municipality management and substituting norms for relations, and answering to citizens to respect social judgment and urban economic help effectiveness of credits index distribution.

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