

## The Role of Financial and Accounting Disclosure in Enhancing the Performance of Economic Institutions: A Case Study.

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### Abstract:

This research paper highlights the importance of financial and accounting disclosure in improving institutional performance. The performance of a national company specialized in the manufacturing of agricultural equipment was evaluated through the analysis of its revenues, costs, and financial indicators. The results showed that the implementation of disclosure practices led to an improvement in both financial and administrative performance, along with a noticeable increase in financial independence. The study recommends taking effective measures such as employee training and enhancing transparency to support sound disclosure. These findings can be used to support decision-making and improve performance in similar institutions.

**Keywords:** Financial and accounting disclosure; policies and procedures; FAMAG company; systems and standards.

**Jel Classification Codes:** M41, M48, G38.

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## 1. INTRODUCTION

Financial and accounting disclosure is crucial in the public sector, playing a key role in providing transparent and accurate financial information. Financial analysis helps in understanding the Financial and economic outcomes of an organization and in analyzing the trends and developments that occur over time. Financial and accounting disclosure serves to present a clear and reliable picture of an institution's financial position, thereby enhancing trust, accountability, and transparency in its management, and contributing to sound financial and administrative performance in public institutions. For this reason, we examine the case of the National Establishment for the Agricultural Equipment Industry in the Wilaya of Sidi Bel Abbes.

Based on the above, the main research problem can be formulated as follows: **How can the institution's performance be evaluated, and how does financial and accounting disclosure impact its financial and administrative performance?**

To answer this main question, the following sub-questions are posed:

- What are the effective strategies and policies that can be adopted to achieve better implementation of financial and accounting disclosure?
- Has FAMAG improved its financial and administrative performance as a result of financial and accounting disclosure?

To address these sub-questions, the following hypotheses have been formulated:

- A variety of effective strategies can be adopted to ensure better implementation of financial and accounting disclosure. These include training and developing specialized staff, reinforcing transparency and accountability, establishing clear policies and procedures to govern disclosure practices, and leveraging modern technologies to ensure the accuracy and quality of financial information.
- FAMAG successfully improved its financial and administrative performance through the implementation of financial and accounting

disclosure. When an institution provides accurate and transparent financial information in accordance with recognized accounting standards, it enhances stakeholder trust in its financial management and improves understanding of its financial position and operational performance—supporting sound decision-making and institutional growth.

The importance of this study lies in understanding how financial analysis and accounting disclosure contribute to enhancing the financial and administrative performance of institutions. Financial analysis enables a deeper understanding of an institution's financial and economic performance, while accounting disclosure offers transparent and accurate information about its financial condition. The results and recommendations of this study can guide decision-making and improve financial and administrative processes. Institutions can identify strengths and weaknesses in their performance through financial analysis and accounting disclosure, allowing them to make effective strategic decisions for performance improvement.

This research paper aims to achieve the following objectives:

- To provide a comprehensive view of how to enhance the financial and administrative performance of FAMAG.
- To understand the impact of changes in business volume on FAMAG's financial performance.
- To determine the level of the institution's financial Independence and assess its effect on overall performance.
- To analyze the developments in the institution's financial indicators over the study period.
- To support the achievement of the institution's financial goals.

This Study adopts both descriptive and analytical approaches. The descriptive approach is used in the theoretical part to analyze and understand the concepts and relationships between variables within the study's context. The analytical approach is applied to the practical part, focusing on the analysis of the institution's financial and accounting data in order to evaluate the improvement in its financial and administrative

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performance. This involves a systematic application of various analytical tools and techniques, such as the calculation of financial ratios and time-based comparisons, to identify trends and pinpoint strengths and weaknesses in the institution's performance.

The study is limited to a short period covering the years 2023 and 2024. Although this duration may appear relatively limited, it was deliberately chosen because it represents the most recent and relevant period during which the institution implemented updated financial disclosure practices. This period is therefore highly suitable for assessing the immediate impact of disclosure on financial and administrative performance. Furthermore, while the two-year scope restricts the ability to generalize findings over the long term, it provides a solid basis for identifying emerging trends and serves as a foundation for future research that could extend over longer timeframes.

### **Previous studies:**

1. Khawla Khoucheima (2022), "International Public Sector Accounting Standards (IPSAS) in Algeria," Manouba University – Tunisia:

This study aims to modernize public accounting, a current topic linked to state reform within the Algerian government's program to improve public administration. The subject revolves around a serious discussion at both national and international levels, highlighting best practices in public financial management and the harmonization of international public sector accounting. The Algerian state has launched a project to reform its accounting system based on IPSAS, with a focus on accrual-based accounting and asset recognition. The study concludes that an integrated information system is essential for the successful implementation of budgetary and accounting reforms (Khaoula, 2022).

2. Balboul Hadda & Walhi Boualem (2021), "Financial Disclosure as an Approach to Evaluating the Financial Performance of Economic Enterprises – A Case Study of Hodna Milk Company in M'sila During the Period 2015–2017," University of Mohamed Boudiaf – M'sila:

This study seeks to shed light on the role of financial disclosure in evaluating the financial performance of economic institutions. It addresses certain international accounting standards related to financial disclosure, which determine how data should be presented in financial statements to provide a clear picture of a company's financial position to economic stakeholders. The study examined the benefits of financial disclosure in assessing the performance of the Hodna Milk Company and concluded that the company's financial situation was unstable during the study period. The key concepts emphasized in the study include financial disclosure, transparency, financial statements, and financial performance evaluation (Walhi & Balboul, 2021).

This is detailed as follows:

## **2. Chapter One: Theoretical Framework of Financial and Accounting Disclosure in the Public Sector:**

### **2.1 Concept of Financial and Accounting Disclosure in the Public Sector:**

Financial and accounting disclosure in the public sector refers to the presentation of relevant financial and accounting information by government institutions (Faisal, 2021, p. 35). It aims to achieve transparency and financial accountability by preparing and publishing official financial reports, such as financial statements and accompanying disclosures (OECD, 2020, pp. 10-11). Various stakeholders benefit from financial and accounting disclosure, including citizens, shareholders, investors, regulators, and government entities (Khaoula, 2022, p. 7).

**The importance of financial and accounting disclosure in the public sector is reflected in the following points:**

- Enhancing transparency and enabling access to critical financial information for making informed decisions and monitoring the use of public resources (Sahnoun & Afaf, 2023, p. 4).
- Ensuring the credibility of financial information through advanced techniques, thereby building trust among concerned parties (Faisal, 2021, p. 34)

- Promoting the adoption of globally recognized international standards such as the International Financial Reporting Standards (**IFRS**) or the International Public Sector Accounting Standards (**IPSAS**), which help unify financial reporting and improve comparability among government institutions at both national and international levels (Qulqul & Azayziya, 2022, p. 4).
- Ensuring compliance with local and international legislation and regulations related to governmental financial reporting and accounting, and avoiding legal risks (Grossi, et al., 2023, p. 6)
- Strengthening the financial sustainability of public institutions by achieving a balance between revenues and expenditures, and by implementing strategies for financial expansion and smart investment (Bouzeid & Sallouh, 2024, p. 4).

## **2.2 Systems and Standards of Financial and Accounting Disclosure in the Public Sector:**

The International Public Sector Accounting Standards (**IPSAS**) are globally recognized accounting standards developed by the International Public Sector Accounting Standards Board (**IPSASB**), which operates under the International Federation of Accountants (**IFAC**) (International Federation of Accountants, 2021, p. 120).

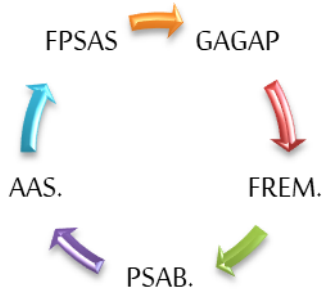
These standards provide comprehensive guidance covering various aspects of financial and accounting disclosure, including financial reporting such as revenue recognition, cash flows, and both financial and non-financial reporting. IPSAS are largely based on International Financial Reporting Standards (**IFRS**) (Huddab Al-Ajwdi & Hilo Dawood, 2020, p. 6).

They promote transparency and reliability in the financial reporting of public institutions (Meziane & Hafsi, 2019, p. 8).

Additionally, national public sector accounting systems vary depending on each country's legal, regulatory, and cultural context. Nevertheless, several prominent national systems are used by many countries (Ahmad Ibrahim, 2022, p. 6).

- French System (FPSAS): (The French Public Sector Accounting System – FPSAS, 2023).
- American System (GAGAS/GAAP): (Governmental Accounting Standards Board (GASB), 2023).
- British System (FReM): (Government Financial Reporting Manual - FReM, 2023).
- Australian System (AAS): (Australian Accounting Standards -AAS, 2023).
- Canadian System (PSAB): (Public Sector Accounting Board -PSAB, 2023).

**Figure 1:** prominent national systems.



**Source:** (Shaikh, Mustafa, Bishop, & Zeb, 2022, p. 3).

Despite contextual differences, most of these systems aim to achieve comprehensive and transparent disclosure within the public sector. Government institutions are required to comply with the recognized accounting standards and frameworks applicable in their respective countries, and to utilize them in providing accurate and reliable financial information to the public, stakeholders, and beneficiaries.

### **2.3 Challenges and Strategies for Implementing Financial and Accounting Disclosure in the Public Sector:**

The implementation of financial and accounting disclosure in the public sector faces several obstacles that affect its effectiveness (Barir & Sidiqi, 2023, p. 9) ,including:

- The complexity of accounting laws and regulations applicable to the public sector, which makes them difficult to understand and apply (Abd al-Rahman, Mahmoudi, & Belbali, 2024, p. 7).

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- The lack of financial and human resources specialized in accounting and financial disclosure.
- Weak technical infrastructure (Javier & Lourdes, 2021, p. 2).
- Low public trust in government institutions, which hinders the acceptance of disclosed information (Bin Sidiq, 2021, p. 5).

To address these challenges, institutions are recommended to adopt the following strategies:

- Establishing robust legal and policy frameworks that define the financial and accounting requirements and standards for government institutions (Maghdour & Ma'oushi, 2022, p. 4).
- Providing continuous training and development programs for employees working in government institutions, along with awareness campaigns and workshops.
- Enhancing transparency in financial and accounting operations by publishing financial reports regularly and clearly (Walhi & Balboul, 2021, pp. 4-5).
- Promoting collaboration between government institutions, regulatory bodies, the private sector, and civil society.
- Implementing regular evaluation and audit processes (Karkar, 2019, p. 5).
- Encouraging innovation and institutional development by adopting modern technologies such as artificial intelligence and data analytics (Dau Thi & Vo Van, 2021, p. 69).

These strategies must be adapted to the specific context and conditions of each country or public governance system, and tailored to the unique needs and challenges of the public sector.

### **3. Chapter Two: The Applied Aspect – Case Study on the Implementation of Financial and Accounting Disclosure in FAMAG:**

The economic institution FAMAG is a leading company in the manufacturing and distribution of agricultural equipment, machinery, and spare parts in Algeria. Established in 1996, its headquarters is located in the industrial zone of Sidi Bel Abbes, and it employs more than 580 direct and

indirect workers across 40 distributors that form FAMAG's commercial network. The company covers a total area of 40,000 square meters, with only 1,500 square meters built-up. Below is the company's technical profile:

- **Trade Name:** FAMAG.
- **Economic Objective:** Achieving profitability and sustainability through expansion in both the national and international markets.
- **Address:** Industrial Zone, Sidi Bel Abbès.
- **Share Capital:** DZD 1,500,000,000.

FAMAG Services was established as a result of a foreign partner joining the parent company in 2018. It aims to ensure the availability of spare parts and agricultural equipment for Sonalika brand tractors, provide after-sales services, achieve profitability and sustainability, explore investment opportunities in the agricultural industry, and create job opportunities.

As part of its commitment to financial and accounting disclosure, the institution published financial information on July 9, 2023, including:

- Disclosure of basic corporate information such as trade name, share capital, and registered office.
- Detailed financial statements prepared according to the Financial Accounting System (SCF), including the balance sheet, income statement, and annexes.

Financial and accounting disclosure plays a vital role in improving the financial and administrative performance of public institutions. Financial disclosure contributes to enhanced transparency and accountability, ensures financial balance, improves financial planning, and attracts external financing. Accounting disclosure, on the other hand, aids in enhancing planning and organization, performance monitoring, and promotes efficiency, effectiveness, and accountability in managing resources and administrative operations.

Financial statements are the primary accounting tool used to communicate financial information to external stakeholders. This

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information focuses on capital and results, which are linked to an accounting unit’s ability to generate or not generate profit. Financial statements usually include the following elements: the balance sheet and the income statement by nature.

This study will analyze the financial statements of FAMAG for the years 2023 and 2024.

**Financial Statement Analysis: Profitability Indicators.**

**3.1 Profitability Indicators:**

**Table 1:** financial indicators.

Pointer	Law	2023	2024
<b>Financial Profitability</b>	$\frac{\text{Net Income}}{\text{Equity}} \times 100$	$\frac{4,653,738.46}{9,653,738.46} \times 100 = 48.22\%$	$\frac{21,113,661.88}{146,840,099.45} \times 100 = \%14.38$
<b>Economic Profitability</b>	$\frac{\text{Net Income}}{\text{Total Assets}} \times 100$	$\frac{4,653,738.46}{128,731,604.2} \times 100 = \%3.61$	$\frac{21,113,661.88}{184,548,843.9} \times 100 = \%11.44$
<b>Commercial profitability</b>	$\frac{\text{Net Income}}{\text{Turnover}} \times 100$	$\frac{4,653,738.46}{38,439,641.42} \times 100 = \%12.31$	$\frac{21,113,661.88}{171,491,201.51} \times 100 = \%12.11$

**Source:** Prepared by the researchers based on data provided by the company.

The table above illustrates the financial indicators of the institution for the years 2023 and 2024. Financial profitability declined sharply from 48.22% in 2023 to 14.38% in 2024, a drop mainly attributed to a significant increase in equity, which reduced the return on capital ratio. Similarly, economic profitability decreased from 11.02% in 2023 to 3.48% in 2024, likely reflecting rising costs or market fluctuations. On the other hand, commercial profitability slightly improved from 12.11% in 2023 to 12.31% in 2024, indicating the institution's continued ability to generate positive returns from its core operations.

These indicators highlight the critical role of consistent and accurate financial and accounting disclosure in revealing the institution’s true

performance and identifying internal or external pressures—such as the drop in financial and economic profitability in 2024. Transparent disclosure minimizes the risk of manipulating financial data or concealing weak performance.

Therefore, it can be concluded that the noticeable decline in certain indicators during 2024, if covered up or overlooked due to weak disclosure, could lead to poor administrative and financial decisions. Thus, adherence to international accounting standards and full disclosure of financial performance not only enhances transparency but also serves as a cornerstone for promoting institutional integrity within economic entities.

### 3.2 Income Statement Analysis:

**Table 2:** Summary of the Income Statement.

<b>Statement</b>	<b>(Million DZD)2023</b>	<b>(Million DZD)2024</b>
<b>Turnover</b>	38.439.641.42	171491201.51
<b>Added Value</b>	7754146.69	43894712.81
<b>Total surplus exploitation</b>	5509055.29	30675237.43
<b>Operational outcome</b>	6393233.46	30605683.62
<b>Pre-tax result</b>	6.393.233,46	28.846.047.88
<b>Net result</b>	4.653.738.46	21 113 661.88

**Source:** Prepared by the researchers based on data provided by the company.

The financial results of the institution showed a significant improvement in 2024 compared to 2023, reflecting enhanced overall performance at various levels. Turnover increased by more than four times, indicating an expansion in economic activity and the company’s success in growing its revenues by better leveraging available market opportunities.

The added value rose from DZD 7.75 million to DZD 43.89 million, highlighting improved production efficiency and an increased contribution to the national economy by creating economic value through more effective use of internal resources.

Furthermore, the gross operating surplus more than doubled, reflecting improvements in the institution’s operating structure, cost reduction efforts, and enhanced productivity. The operating result also witnessed a significant

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increase from DZD 6.39 million in 2023 to DZD 30.6 million in 2024, indicating successful management of core activities and better managerial efficiency.

In terms of profitability, the result before tax grew from DZD 6.39 million to DZD 28.84 million, and the net result also increased, affirming that the financial improvement was not merely superficial or solely linked to higher turnover, but was comprehensive across all operating and profitability indicators.

Based on the above, it can be concluded that the institution achieved a qualitative leap in its financial performance in 2024. This indicates that the company not only delivered strong financial results but also showed progress in the quality of its financial management. Financial and accounting disclosure was one of the key factors contributing to this success, playing a direct role in enhancing transparency and supporting sound decision-making. Therefore, continuing to improve disclosure practices and adhering to accounting standards represents a strategic tool for ensuring financial sustainability and good governance within the organization.

### **3.3 Analysis of the Financial Structure (Balance Sheet):**

**Table 3:** Summary of the budget table.

	<b>Economic Capital</b>	<b>Debts</b>	<b>Equity</b>	<b>Initial Capital</b>
<b>2023</b>	9.653.738,46	0	9.653.738,46	5.000.000,00
<b>2024</b>	149.534.705,15	2.694.605,70	146.840.099,45	125.600.000,00

**Source:** Prepared by the researchers based on data provided by the company.

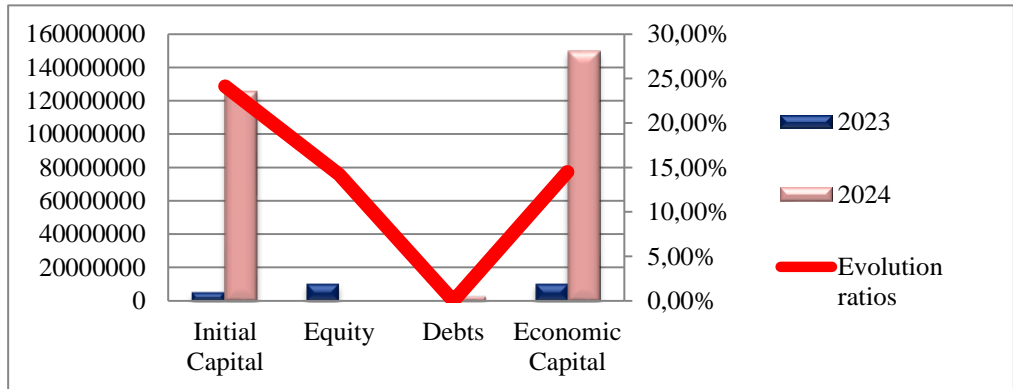
### **3.4 Financial development rates:**

**Table 4:** Evolution ratios.

<b>Growth Rate of Economic Capital</b>	<b>Growth Rate of Equity</b>	<b>Growth Rate of Initial Capital</b>
<b>14.48%</b>	<b>14.21%</b>	<b>% 24.12</b>

**Source:** Prepared by the researchers based on data provided by the company.

**Figure 2:** Financial statements according to the balance sheet of Famag. Institution.



**Source:** Prepared by the researchers.

These indicators reflect the growth dynamics within the institution. The tables and accompanying charts present a summary of the balance sheet and its evolution over the years 2023 and 2024. The recorded growth ratios indicate substantial development in the funding structure, particularly in initial capital, which witnessed a notable increase of 24.12%. This suggests either new investments by shareholders or a capital restructuring strategy, reflecting confidence in the institution’s financial future and its capacity for expansion and growth.

Equity grew by 14.21%, indicating improved financial solvency and showing that the institution is relying more heavily on internal funding sources. This strengthens financial independence and reduces reliance on external debt. Similarly, economic capital increased by 14.48%, reflecting the institution’s capacity to mobilize larger financial resources to support operations and expansion.

It is worth noting that in 2023, the institution had no recorded debt, while in 2024, the debt amounted to approximately DZD 2.69 million—a relatively small figure compared to total equity. This indicates that the company remains heavily dependent on self-financing, contributing to lower financial risk and demonstrating a balanced financial structure.

From this, we conclude that the significant growth in equity and economic capital reflects a positive trend toward strengthening the institution's financial independence and reinforcing its financial position.

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Such expansion cannot be sustainable or credible without a transparent and effective financial and accounting disclosure system. Accounting disclosure not only enhances the institution’s image before stakeholders but also helps entrench principles of governance and transparency in its management practices.

**3.5 Liquidity indicators:**

**Table 5:** Liquidity indicator ratios.

Indicator	Law	2023	2024
<b>Current Ratio</b>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{126,611,453.44}{118,917,572.60} \times 100 = 1.06$	$\frac{177,842,241.84}{32,836,292.61} \times 100 = 5.42$
<b>Quick Ratio</b>	$\frac{(\text{Current Assets} - \text{Inventory})}{\text{Current Liabilities}}$	$\frac{126,611,453.44 - 70553721.81}{118,917,572.60} = 0.47$	$\frac{177,842,241.84 - 80081668.74}{32,836,292.61} = 2.98$

**Source:** Prepared by the researchers based on data provided by the company.

The table above presents liquidity ratios for the years 2023 and 2024. It reveals a notable improvement in the current ratio in 2024, indicating the company’s excellent ability to cover its short-term liabilities with ease. This may also reflect a surplus in current assets relative to short-term debts. The high ratio in 2024 suggests strong liquidity and a very comfortable ability to meet short-term obligations; however, it could also hint at poor cash resource allocation or underinvestment.

Additionally, the quick ratio increased significantly from 0.47 in 2023 to 2.98 in 2024, reflecting the company’s enhanced ability to meet its obligations without relying on the liquidation of inventory. This is a positive development in the efficiency of cash and liquidity management.

From this, we conclude that the significant improvement in both the current and quick liquidity ratios during 2024 represents a positive indicator of short-term financial management efficiency. However, these figures alone do not provide definitive evidence of financial strength unless supported by accurate and systematic financial and accounting disclosure. Such disclosure allows for verifying the validity of the figures, understanding their underlying context, and ensuring the absence of

unethical practices.

Therefore, effective financial disclosure is not merely a tool for assessment—it is a fundamental element in enhancing transparency and institutionalizing good governance.

### 3.6 Indicators of indebtedness and financial independence:

**Table 6:** Debt and Financial Independence Ratios.

Indicator( %)	Law	2023	2024
<b>Debt Ratio</b>	$\frac{\text{Total Debt}}{\text{Total Assets}} \times 100$	$\frac{56,979,892.57}{128,571,311.12} \times 100 = 44,32\%$	$\frac{112,715,634.94}{184,548,843.90} \times 100 = 61,08\%$
<b>Financial Autonomy Ratio</b>	$\frac{\text{Equity}}{\text{Total Assets}} \times 100$	$\frac{9,653,738.46}{128,571,311.12} \times 100 = 7\%$	$\frac{146,840,099.45}{184,548,843.90} \times 100 = 80\%$
<b>Self- Financing Ratio</b>	$\frac{\text{Net Result}}{\text{Permanent Funds}} \times 100$	$\frac{4,653,738.46}{9,653,738.46} \times 100 = 48.22\%$	$\frac{21,113,661.88}{150,612,547.43} \times 100 = 14.02\%$
	(Note: <i>Permanent Funds = Equity + Non-current Liabilities</i> )	$9,653,738.46 = 9,653,738.46 + 0$	$150,612,547.43 = 146,840,099.45 + 3,772,447.98$

**Source:** Prepared by the researchers based on data provided by the company.

The table above presents the debt and financial autonomy ratios of the institution for the years 2023 and 2024, highlighting the shift in the financing structure and the extent of the institution’s reliance on internal and external resources. It is observed that the debt ratio increased from 44.32% in 2023 to 61.08% in 2024, indicating a higher dependence on debt financing during the latter year. This rise reflects the expansion of long-term financial obligations, which are often linked to strategic investments or expansion projects. However, such growth also requires close monitoring to ensure it does not threaten the financial balance.

On the other hand, the financial autonomy ratio increased significantly from 7% to 80%, reflecting a stronger capacity to repay debts using the

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institution's own funds. This indicates an improvement in institutional performance over the period 2023–2024 and highlights the role of financial and accounting disclosure in supporting efforts to enhance both financial and administrative performance. It is a positive signal of the institution’s ability to generate profits and meet its obligations using internal resources, contributing to improved overall performance.

Although net profits increased in 2024, the self-financing ratio declined because permanent funds doubled, meaning that profits no longer represent the same proportion of funding sources as they did in 2023. This reflects an expansion phase and the use of long-term financing, which is typical in a context of growth and strengthened financial solvency.

**3.7 Indicators of activity and operational efficiency:**

**Table 7: Activity and Operational Efficiency Ratios.**

Indicator	Law	2023	2024
<b>Asset Turnover Ratio</b>	$\frac{\text{Turnover}}{\text{Total Assets}} \times 100$	$\frac{94,134,299.35}{128,731,604.21} \times 100 = 0.73$	$\frac{184,442,454.45}{184,548,834.90} \times 100 = 1.00$
<b>Average Collection Period</b>	$\frac{\text{Accounts Receivable}}{\text{Turnover}} \times 365$	$\frac{31,348,015.03}{94,134,299.35} \times 365 = 121.6 \text{ days}$	$\frac{40,346,161.44}{184,442,454.45} \times 365 = 79.9 \text{ days}$
<b>Inventory Turnover Ratio</b>	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$	<del>XXXXXXXXXX</del>	$\frac{1,543,234,152.69}{422822514} = 2.99$
	$\text{Average Inventory} = \frac{(\text{Opening Inventory} + \text{Closing Inventory})}{2}$		$\frac{183.073.412 + 661.571.617}{2} = 422822514$

**Source:** Prepared by the researchers based on data provided by the company.

The above table highlights a notable improvement in operational indicators between 2023 and 2024, directly reflecting the company’s efficiency in asset utilization and resource management.

- The asset turnover ratio increased from 0.73 to 1.00, showing improved utilization of assets to generate revenue—an indicator of better operational performance.
- The average collection period decreased from 121.6 days to 79.9 days, signifying more efficient collection of receivables and

improved cash flow, which is vital for liquidity.

- However, the inventory turnover ratio was 2.99 times in 2024, which may be below industry averages, suggesting that the company holds inventory for extended periods. This could stem from production expansion, slower sales, or inefficiencies in inventory management.

In conclusion, the improvement in activity indicators between 2023 and 2024 signals positive progress in operational performance, particularly in asset utilization and collection efficiency. However, to fully interpret these changes, they must be supported by transparent and accurate financial and accounting disclosure. Financial reporting remains a cornerstone for reliable financial analysis, governance, and the reduction of administrative and financial corruption.

#### **4. CONCLUSION**

This study highlighted the critical role of financial and accounting disclosure in enhancing the financial and administrative performance of public institutions. Through an in-depth case analysis of FAMAG, it was found that accurate and transparent disclosure contributes significantly to institutional development and sustainable governance.

Following the analysis, the following key findings and recommendations were reached:

- Financial and accounting disclosure is crucial for enhancing financial performance and administrative efficiency in public institutions.
- Optimal disclosure outcomes require clear policies, staff training, modern technologies, and strengthened transparency and accountability.
- The financial analysis demonstrated a notable increase in the institution's financial independence between 2023 and 2024, reflecting its growing ability to repay debts using internal resources.
- Commercial profitability witnessed a slight improvement, rising from 12.11% in 2023 to 12.31% in 2024, reflecting the institution's stable operational ability to generate profits from its core activities.
- Liquidity ratios improved, reflecting stronger short-term solvency and more efficient liquidity management independent of inventory.
- The financial structure developed positively, with equity increasing by 14.21%, economic capital by 14.48%, and initial capital by 24.12%.

- The financial performance assessment confirms that financial and accounting disclosure serves as a foundational tool for enhancing operational efficiency, providing stakeholders with reliable and transparent financial information, and ultimately strengthening long-term institutional performance and credibility.

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