


CORPORATE GOVERNANCE AND ITS IMPACT ON THE EFFICIENCY OF INTERNAL CONTROL ON NON-PROFIT GOVERNMENT INSTITUTIONS: AN EXPLORATORY STUDY

Mijbil Dway Ismail ^A, Ali Manfi Kathim ^B, Majeed Musa Al-Kanani ^C



ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 14 November 2022</p> <p>Accepted 16 January 2023</p>	<p>Purpose: The aim of the research is to define the importance of Corporate Governance (CG) and its role in providing appropriate environment to operate the internal control system (ICS) to achieve goals of non-profit governmental institutions.</p>
<p>Keywords:</p> <p>Corporate Governance; Internal Control; Auditor.</p>	<p>Theoretical framework: The research included defining the nature of corporate governance in light of the internal control systems in Iraqi government institutions that are not aimed at achieving profits.</p>
	<p>Design/methodology/approach: The research was implemented on a sample of non-profit governmental institutions. The researcher used the descriptive method in the theoretical aspect and analysis in the applied aspect. The research reached a set of conclusions, and the research came out with a set of recommendations that serve its objectives.</p> <p>Findings: The study concluded that there is a relationship between the main and secondary variables, and we conclude from the results that activity of the higher administrations should not be limited to directing the dissemination of the concepts and principles of institutional governance.</p> <p>Research, Practical & Social implications: In light of the adoption of the concept and principles of institutional governance. And efficient ICS that are able to lead the modernization trends in the public service without giving way to the spread of administrative and financial corruption, which has become a scourge that afflicts the body of the Iraqi government institutions at the present time.</p> <p>Originality/value: This study is one of the limited studies that dealt with corporate governance in non-profit organizations in Iraq, in light of the high levels of administrative and financial corruption, as well as weak internal control systems.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i1.1155</p>

^A Assistant prof. at Department of Technical Accounting. Technical Institute of Amara.Southern Technical University. Iraq.
E-mail: mijbil.dway@stu.edu.iq Orcid: <https://orcid.org/0000-0002-6898-5745>

^B Assistant teacher at Department of Technical Accounting. Technical Institute of Amara.Southern Technical University. Iraq.
E-mail: ali.manfi@stu.edu.iq Orcid: <https://orcid.org/0000-0003-2459-3296>

^C Lecturer at Department of Technical Accounting. Technical Institute of Amara. Southern Technical University. Iraq.
E-mail: majedmusa@stu.edu.iq Orcid: <https://orcid.org/0000-0001-8719-9195>

GOVERNANÇA CORPORATIVA E SEU IMPACTO NA EFICIÊNCIA DO CONTROLE INTERNO EM INSTITUIÇÕES GOVERNAMENTAIS SEM FINS LUCRATIVOS: UM ESTUDO EXPLORATÓRIO

RESUMO

Objetivo: O objetivo da pesquisa é definir a importância da Governança Corporativa (GC) e seu papel em proporcionar um ambiente adequado para operar o sistema de controles internos (SCI) para atingir os objetivos das instituições governamentais sem fins lucrativos.

Referencial teórico: A pesquisa incluiu a definição da natureza da governança corporativa à luz dos sistemas de controle interno nas instituições governamentais iraquianas que não visam o lucro.

Desenho/metodologia/abordagem: A pesquisa foi implementada em uma amostra de instituições governamentais sem fins lucrativos. A pesquisadora utilizou o método descritivo no aspecto teórico e análise no aspecto aplicado. A pesquisa chegou a um conjunto de conclusões, e a pesquisa saiu com um conjunto de recomendações que atendem aos seus objetivos.

Resultados: O estudo concluiu que existe uma relação entre as variáveis principais e secundárias, e concluímos pelos resultados que a atividade das administrações superiores não deve se limitar a direcionar a disseminação dos conceitos e princípios de governança institucional.

Pesquisa, implicações práticas e sociais: À luz da adoção do conceito e princípios de governança institucional. E ICS eficientes que sejam capazes de liderar as tendências de modernização do serviço público sem dar lugar ao alastramento da corrupção administrativa e financeira, que se tornou um flagelo que aflige o corpo das instituições do governo iraquiano na atualidade.

Originalidade/valor: Este estudo é um dos estudos limitados que tratou de governança corporativa em organizações sem fins lucrativos no Iraque, à luz dos altos níveis de corrupção administrativa e financeira, bem como fracos sistemas de controle interno.

Palavras-chave: Governança Corporativa, Controle Interno, Auditor.

GOBIERNO CORPORATIVO Y SU IMPACTO EN LA EFICIENCIA DEL CONTROL INTERNO EN INSTITUCIONES GUBERNAMENTALES SIN FINES DE LUCRO: UN ESTUDIO EXPLORATORIO

RESUMEN

Propósito: El objetivo de la investigación es definir la importancia del Gobierno Corporativo (GC) y su papel en proporcionar un ambiente adecuado para operar el sistema de control interno (SCI) para lograr las metas de las instituciones gubernamentales sin fines de lucro.

Metodología: La investigación se implementó en una muestra de instituciones gubernamentales sin fines de lucro. La investigadora utilizó el método descriptivo en el aspecto teórico y el análisis en el aspecto aplicado. La investigación llegó a un conjunto de conclusiones, y la investigación salió con un conjunto de recomendaciones que sirven a sus objetivos.

Conclusiones: El estudio concluyó que existe una relación entre las variables principales y secundarias, y de los resultados concluimos que la actividad de las administraciones superiores no debe limitarse a orientar la difusión de los conceptos y principios de la gobernanza institucional.

Implicaciones de la Investigación: a la luz de la adopción del concepto y los principios de la gobernanza institucional. Y ICS eficientes que sean capaces de liderar las tendencias de modernización en el servicio público sin dar paso a la propagación de la corrupción administrativa y financiera, que se ha convertido en un flagelo que aqueja al cuerpo de las instituciones gubernamentales iraquíes en la actualidad.

Palabras clave: Gobierno Corporativo, Control Interno, Auditoría.

INTRODUCTION

The growing interest in the concept of CG as a result of increasing economic meltdowns and financial crises over the past few decades (Canaj et al., 2022). which triggered the administrative and financial corruption and mismanagement and to its role in emphasizing the commitment to policies and control procedures and address many of the ethical problems and

management that caused the bankruptcy of many institutions around the world and to weakness in Its performance at various levels (Strouhal et al., 2021), and on top of the problems that it seeks to address, is the problem of conflict of interest, which is an ethical problem before it is an administrative problem (Flayyih and Khiari 2022). Therefore, many of the regulations and systems of CG, whether in the public or private sectors aimed at profit or not for profit, included in their principles and rules, mandatory and non-mandatory A set of ethical principles and rules of conduct that must be adhered to by members of senior management in various institutions, and thus provide the appropriate environment for the work of the ICS to work together in the fight against administrative and financial corruption and thus achieve the objectives of the institutions (Nor Azhari et al., 2022).

And because the public service sector in Iraq, and because of the circumstances and the historical stage, it is going through, has reached a degree of backwardness and administrative corruption, And Mali carried a wide audience of Citizens have to work on adapting their lives by self-reliance or cooperation among them after the votes were purely for reform, and development (Khiari et al., 2007). As a matter of fact, the government administration has become in most of its joints unable to fulfill its traditional duties such as security and services (Al-Janabi et al., 2022).

In line with the foregoing, my research came to highlight and focus on the importance of adopting the concept and principles of institutional governance in leading modernization trends in the public service in Iraq and thus providing an appropriate environment for the work of the ICS and providing its components to ensure the provision of the best services to all citizens and at the same time eliminating administrative backwardness and filling Gaps through which administrative and financial corruption can be implemented (Konstantinidis et al., 2022).

The research problem stems from the fact that most governmental and non-governmental institutions suffer from a clear deficiency in providing the duties and services entrusted to them, as well as their failure to keep pace with the changes taking place at the level of the internal and external environment. The activities of those institutions that eventually led to their failure or failure to provide the desired duties and services, or to the spread of the phenomenon of administrative and financial corruption in them, which was due to the lack of application of the concept and principles of institutional governance and consequently the failure to provide the components of internal control (IC) at the required level.

MATERIAL AND METHODOLOGY

The importance of the research lies in the importance of advancing the reality of non-profit government service institutions that provide public services to all citizens, after ensuring the availability of the foundations and success factors that ensure the achievement of the objectives of these institutions and filling the gaps that can be exploited to enforce corruption and administrative backwardness and in line with the goals and aspirations of contemporary institutions. Through the application of the concept and principles of CG, which help in providing the components of ICS. The research objectives are the following:

- A. Keeping abreast of recent developments in the management of non-profit government service institutions through
- B. The application of the concept of and principles of CG
- C. Emphasis on the necessity of providing IC components that in turn help in achieving the objectives of Institutions through fighting administrative and financial corruption and diagnosing weaknesses in government.

Institutions to avoid them.

The role of the state as a caretaker and servant of citizens remains and will remain, but the requirements of this role and its trends are constantly changing and evolving, and in order to achieve the best level of services for all citizens, in light of the adoption of the concept and principles of institutional governance and efficient ICS that are able to achieve the objectives of institutions Without giving way to the spread of administrative and financial corruption, which has become a scourge that is eating away at the body of the Iraqi government institution at the present time. Based on the foregoing, the main hypothesis of the research can be built: The level of efficiency of the ICS and the availability of its components are determined by the level of application of the concept and principles of CG

LITERATURE REVIEW

Corporate Governance concept:

Corporate Governance is at the basis of a Western term. CG It is translated into Arabic, which means (Corporate governance), which means that the institution adopts mechanisms to ensure the work of the manager (management) in order to achieve the goals of stakeholders , because most managers serve themselves at the expense of the objectives of stakeholders in the institution. The concept of CG defined as a set of rules, systems and procedures that achieve better protection and balance between the interests of corporate managers on the one hand, and

between the shareholders and stakeholders associated with them on the other hand (Al-Tae & Al-Jauhar, 2022).

It was also defined as a set of mechanisms, procedures, laws, systems and decisions that guarantee discipline, transparency and justice, and therefore aims to achieve quality and excellence in performance by activating the actions of the economic unit management in relation to the exploitation of the economic resources available to it in order to achieve the best possible benefits for all stakeholders and for society As a whole (Al-Khatib ,2009).

It is also known as a comprehensive system that includes measures of good management performance, and indicators about the existence of control methods that prevent any party related to the facility internally and externally from negatively affecting the activities of the facility, thus ensuring the optimal use of available resources to serve the interests of all parties in a fair manner. Achieving the positive role of the facility for the benefit of its owners and the society as a whole (Matar, 2003).

Mervyn King defined governance as the exercise of leadership moral character and effectiveness by the governing authority in the institution (senior management) in order to achieve the following four results (a culture of moral, good performance , control effectively and finally legitimate) (CG and business ethics of governance , the Network of Arab Accountants).

Through the foregoing, the researcher finds that the most appropriate definition of CG is that it is)a set of controls and procedures that achieve the highest levels of performance and discipline within the institution, by defining the role, responsibilities and duties of the various parties that have interests within the institution in order to achieve transparency in dealing with all stakeholders). And ensuring accountability by providing tight systems for supervision and IC.

The importance of corporate governance:

Highlights the importance of CG by being guaranteeing the rights and obligations of all stakeholders in the institutions through a series of procedures and their importance are Enhancing administrative efficiency through the fact that its principles urge the right approach in the management of institutions, and encourage the adoption of modern administrative methods (Al-Abedi et al., 2022), Strengthening the supervisory procedures because its principles urge the organizations or the supervisory bodies to Increase the supervisory and regulatory procedures and update them continuously, Enhancing justice and transparency for all stakeholders in the institution (Pae & Yoo, 2001), Emphasis on adherence to the financial

and administrative laws and regulations that regulate work within the Institution. (Al-Taie et al., 2017), Improving the process of using the institution's resources and exploiting them correctly, and Supporting the competitiveness of institutions in the long term. (Abu-Hussain, 2021).

Objective of Corporate governance:

The goal of CG are protecting the rights of stakeholders, especially shareholders, on a continuous and long-term basis. Provide stakeholders with the necessary information about the institution. Ensuring that there is a good organizational management structure within the organization in which Each member of the organization is in the appropriate position, with defining his powers and its Responsibilities. Improving the financial performance of the institution and reducing the chances of it falling into financial hardship and bankruptcy or being taken over by other institutions (Ismail, 2022). Preserving the institution's economic reputation before stakeholders such as shareholders, employees, Creditors and other institutions. Achieving the institution's social responsibility through appropriate policies and procedures for its Activities and through which it works to serve. Surroundings and society (Gopaal, 1998).

Corporate Governance Principles

The principles of CG backbone to the theme of governance in general and to the attention of economic cooperation and development in this matter the Organization was the first to issue these principles in 1999 and made some adjustments in 2008.2004 commensurate with the economic development and infrastructure, and this The principles are as follows:

- A. The availability of an effective governance institutions : and this promotes the transparency and efficiency of markets and be consistent with the provisions of the law and clearly define the distribution of responsibilities between the various supervisory authorities, regulatory and executive this through the development of an effective governance and the provision of legal and regulatory requirements , and the distribution of responsibilities among the various actors (Sulaiman et al., 2015).
- B. Protecting the rights of shareholders and primary stakeholders and dealing fairly with Them.
- C. This ensures ownership registration, participation in decision-making, voting in general assembly meetings, and disclosure of Capital structures and arrangements.
- D. Equal treatment of shareholders and the preservation of the rights of stakeholders, This guarantees equal voting rights to the shareholders

E. The role of stakeholders in relation to the principles governing governance and commitment to Professional behavior and ethics, his obliges the management of the company to recognize the rights of stakeholders as provided by law And encourages cooperation between Companies and between stakeholders in the field of creating wealth and Job opportunities and achieving sustainability for projects on the basis (Al-khoury et al., 2022; Saeed et al., 2022).

F. Disclosure and Transparency: The CG framework ensures proper and timely disclosure of all Significant information, including financial position, performance, ownership, and exercise of power

Powers and Responsibilities of the Board of Directors:

The governance system determines the responsibilities of the administration, and this includes: Principle: The structure of the board of directors and its legal duties, how to select its members, its basic tasks, and its role in Supervising the Executive Management (). The fourth report (Marvin King) contained seventeen principles of governance, three of which focused on ethics, namely:

A. **The first principle:** The governing authority in the institution must lead it with morals and Effectiveness.

B. **The second principle:** The governing authority in the institution must govern ethics in manner that leads to the establishment of an ethical culture.

C. **The third principle:** the governing authority in the institution is the governance of compliance with all regulations, laws, non-binding rules and standards in a way that leads to making the institution ethical and good citizenship in the business community Institutional Governance and Work Ethics, Arab Accountants Network & previous source.

Governance in the public secto:

It is a set of legislation, laws and policies to achieve Objectives in a professional and ethical manner, with integrity and transparency, according to follow-up and evaluation mechanisms and a strict accountability system to ensure the efficiency and effectiveness of performance on the one hand, and the provision of services fairly on the other. The goal of institutional governance in the public sector is to enhance citizens' confidence in the state and its institutions by achieving the Following objectives (Kouzmin et al., 1999).

A. Increasing citizen satisfaction with the services provided by the public sector

- B. Achieving the principle of accountability for government departments and their employees, and abiding by laws and regulations.
- C. Achieving the principle of integrity, justice and transparency in the use of power and management of public money
- D. Achieving equal opportunities among citizens
- E. Achieving the necessary protection of public property, taking into account the interests of the relevant parties
- F. Work to achieve strategic national goals and achieve financial stability for the country
- G. Raising the level of capacity of government institutions by enhancing and developing institutional performance through Continuous monitoring and evaluation.
- H. Establishing effective systems to manage the risks of institutional work to reduce the impact of risks and financial Crises.

Characteristics of Non-Profit Governmental

Non-Profit Governmental Units Are the units that provide free services to citizens or for a nominal amount does not necessarily cover the entire expenses and that the most important characteristic of government units. It does not aim to make profit, but rather to provide a service to the community in return for a symbolic fee or for free, such as the Ministry of Education and Health. Being non-revenue governmental units such as the Ministry of Higher Education. There is no connection between state revenues and expenditures, as expenditures in the state are not spent to create. Revenues, and there is independence Complete between what government units spend and the revenues they receive. There is no capital for the government unit (Jeter & Chaney, 2019). The state finances its activity on an annual basis in the light of estimates submitted for public expenditures and Revenues within 12 months. The units of the government service sector are fully owned by the founders, and the administrative leadership does not have any right to Sell or trade. The amounts donated to the economic unit are not required to be retrieved directly or in the form of relative Payments.

Main policy and some operational decisions are normally implemented by agreement of the majority of votes or by Person Elected or government employee (Freeman & Shoulders, 2003). The state annually determines its expenditures and secures the necessary resources for these expenditures, which is called the state budget. The units that do not belong to the business sector are characterized by the lack of homogeneity of the objectives of their stakeholders, as the absence of the profit motive has a significant impact on changing the pattern of relations

between stakeholders on the one hand, and between them and the organization on the other. Government units are responsible for resources. When preparing financial reports, the focus is on the extent of Commitment Responsibility for the resources available to those units (Larsen, 2000).

Internal Control System

The concept of IC has developed greatly as a result of the development of administrative concepts, as the IC has gone beyond the narrow view that was concerned with discovering errors and holding the negligent accountable, and its role has become important in immunizing the employee and detecting errors and treating them before they occur (Pickett, 2010).

IC has been defined as a set of systems, instructions, decisions, and regulations regulating business in the administrative unit, control methods and available means to protect public money, and it is the administrative divisions that divide work systems in a way that prevents loss, collusion, or embezzlement (Alzabari et al., 2019). The Professional Standards Committee AICPA ICs are processes that are performed by the board of directors, persons and are designed to provide reasonable assurance regarding the objectives achievement of operational control relating to the efficiency and effectiveness of operations, oversight of financial reporting and compliance with control (Thijeel et al., 2018; Al-Refiay et al., 2022). The researcher believes that the importance of ICS lies in the fact that they are considered a safety valve for the organization, because on the one hand they guide the administration to weaknesses for the purpose of avoiding them, and on the other hand, they identify points of success and strength for the purpose of benefiting from and developing them, as well as providing a psychological deterrent that helps prevent weak souls from exploiting Weaknesses for the practice of administrative and financial corruption in its various forms, and the fact that it also provides preventive oversight through a previous audit of disbursement, which is the best type of oversight. Components of the ICS in 1992, a commission issued COSO It is one of the committees emanating from the American Society of Certified Public Accountants, a report entitled (The Integrated Framework for IC) According to this report, the committee identified the IC components with five components (Huefner, 2011).

Control environment

Means the control environment are behaviors, policies and procedures that reflect management trends of senior managers and owners of any unit on the importance of IC and control environment is affected by many factors, which are to (Flayyih et al., 2022):

- A. Integrity and moral values Commitment to integrity and value It is represented in the existence of a behavioral System and ethical, establishing a senior management approach, commitment to ethics in dealing with external Parties, appropriate procedures for dealing with transgressions and violations of the moral code of conduct.
- B. Management philosophy and operating style It is represented in Nature the risks acceptable to the Institution, job rotation in public jobs, the importance of the financial management function, communication And interaction between senior management and branch departments (Armstrong & Taylor, 2020).
- C. Organizational Structure It is represented in the appropriateness of the organizational structure of the institution, defining the tasks and responsibilities of the main managers, the efficiency and experience of the main managers, the presence of mechanisms for the transmission and exchange of reports between different levels, the flexibility of the organizational structure to interact with changes in the environment of the institution, the adequacy of employee preparation (Townley, 2002).
- D. Board of Directors and Audit Committee It is represented in the efficiency and effectiveness of the board of directors , the presence of committees emanating from the board of directors (Al-tae & Flayyih, 2022). The independence of the board of directors and the audit committee , interaction with internal and external audits , the experience and efficiency of members of the board of directors and committees , the periodicity of holding meetings , the existence of a mechanism for providing the board of directors with information with significant risks , dealing with the decisions of the board of directors and a follow-up mechanism (Ammar et al., 2018).
- E. Methods of delegating powers and assigning responsibilities It is represented in the presence of a delegation of powers commensurate with the objectives of the institution, the presence of an understanding and awareness of the objectives of the institution , the adequacy of the preparation of the officials concerned with the powers , the presence of a proportionality between the officials and the delegated powers , the existence of a certain mechanism to monitor compliance with the delegated powers (Peskin & Vernac, 2016).
- F. Human Resource Management Applications and Policies These are represented in Human resources management policies that give an impression of the level of integrity and ethical behavior , the existence of policies for appointment, promotion and training , procedures to familiarize new employees with the responsibilities they are expected to perform , taking into account integrity when evaluating employees , the

bases and criteria for promotions are detailed and clear and announced to employees , the appropriateness of the actions taken regarding violations of policies and procedures (Petrick & Quinn, 1997).

G. External influences It is represented in the existence of a serious follow-up to the recommendations of the financial control bodies affiliated to the Board of Supreme Audit keeping pace with the economic unit of technological development, especially in the field of using electronic computers ,Taking the economic unit into consideration the laws and instructions issued regarding the determination of IC requirements ,The management of the economic unit responds to changes in the external environment and reflects this on the IC procedures (Van Greuning & Bratanovic, 2020).

Risk Assessment All economic units

Regardless of their size or the nature of their work, face many risks, whether they are from within the unit or from outside (Alslihat et al., 2018) for that All components of IC should be subject to an assessment of the risks they contain, and the management evaluates the risks as part of the design and operation of the ICS to reduce errors and violations The essence of the control process is to identify the risks that face the achievement of the unit's goals and then set priorities for managing all risks setting goals is the core of the IC work (Abass et al., 2022).

Control Activities: They are the policies and procedures that help ensure that the management's instructions are implemented (Arens & Loebbecke, 2000) They help to ensure that the necessary actions are taken to meet the risks related to achieving the organization's goals. There are many control activities, including (appropriate separation between functions, accurate delegation of operations and activities , appropriate documents and records , Physical control of assets and records , independent verification of the performance of control activities (Hall, 2015).

Information and communication: It has indicated the American Standard No. 78 (SAS NO:78) To the information system appropriate aims to give confidence in financial reporting and includes basic information system methods and records for the identification, analysis, classification and registration of the organization transactions and disclosure while maintaining All assets and liabilities related to , either communication includes obtaining a clear understanding of individual roles and responsibilities for IC and its impact on Financial reports, the policies manual and the financial and accounting reports manual are components of information and communication (AL-Timemi & Flayyih, 2015).

Monitoring: Activities related to the continued appreciation, and periodic assessment of IC performance, carried out by the Department to determine the efficiency of the IC and determine the possibility of adjusted in line with changes in ambient conditions, and this is done by examining the IC and reports of regulatory bodies and the reports of the auditor and other (Krivtsov & Tarasova, 2022).

RESULTS AND DISCUSSION

Descriptive Analysis

Determining the importance of the variables from the point of view of the sample members

Table 1. Determining the importance of the sub-paragraphs of the institutional governance variables

Paragraph content	Mean	S.D	Weighted percentile	Ranking
The senior management in your organization is committed to the regulations, laws, and instructions	3.4	0.675	68	Thirteenth
Senior management works to achieve the organization's vision and mission	3.73	0.785	74.6	Fifth
Your organization has a clear division of responsibilities between executive and supervisory functions	3.90	0.662	78	the third
The financial statements in your organization are prepared in accordance with local legislation	4.20	0.761	84	the first
The ICS in your organization always reinforces the principles of CG	3.93	0.944	78.6	The second
Your organization is characterized by the fact that the supervisory cadres do their work without the intervention of the senior management	3.67	0.922	73	seventh
Your organization adheres to the organizational structure and job description to define responsibilities	3.43	0.858	6.68	Twelfth
Your organization continually releases information on a regular basis	3.63	0.850	72.6	Eighth
Regulatory authorities perform their role to the fullest extent in monitoring and following up the work of your institution	3.80	0.805	76	the fourth
Your organization constantly publishes periodic reports that demonstrate its commitment to implementing the principles of CG	3.50	0.974	70	eleventh
The performance of the executive departments in your organization is evaluated according to the extent to which they apply the policies, instructions and laws in force	3.63	0.809	72.6	Eighth
The internal audit in your organization is characterized by the availability of scientific and practical qualifications	3.57	0.971	71	Ninth
The dates of disclosure of financial statements are always disclosed in advance	3.53	0.819	70.6	The tenth
The internal audit in your organization has absolute powers to access any information or data it needs	3.57	0.858	71	Ninth
Internal Audit constantly reviews the transactions of all parties involved in your organization and recommends them to senior management	3.70	0.877	74	Sixth

Source: Output SPSS.

The results of analyzing the answers of the sample using the average trend, and as shown in Table 1. showed that paragraphs; prepare the financial statements in your organization in

accordance with local legislation. always enhance the ICS in your organization from the principles of CG. have Your organization has a clear division of responsibilities between the executive and supervisory functions. Supervisory authorities play their role to the fullest extent in monitoring and following up the work of your organization. the senior management is working to achieve the vision and mission of the institution. the internal audit constantly reviews the transactions of all parties who They have a relationship with your organization and recommend it to senior management. Your organization is characterized by the fact that the supervisory cadres do their work without the interference of the top management. Your organization constantly discloses information on a periodic basis. The performance of the executive departments in your organization is evaluated according to the extent to which they apply the policies instructions and laws in force. features an internal audit organization in the availability of scientific and practical qualifications),(14 the internal audit is available in your organization 's absolute powers to gain access to any information or data needed),(13 is always only He disclosed in advance about the dates of disclosing the financial statements)they came in the first ten ranks, as they recorded trend averages, respectively: (4.20), (3.93), (3.90), (3.80), (3.73), (3.70), (3.67), (3.63), (3.57), (3.53) and these variables represent a high positive trend and are the most important in the impact Among the fifteen variables in determining the level of institutional governance in institutions is the research sample. Paragraphs (10 Your organization constantly publishes periodic reports showing the extent of its commitment to applying the principles of CG , 7 Your organization abides by the organizational structure and job description to determine responsibilities(in the eleventh and twelfth ranks, as it recorded trend averages, respectively (3.50) ,(3,43). It also reflects a clear positive trend in determining the level of institutional governance from the sample's point of view. While paragraph the senior management in your organization is committed to the regulations, laws and instructions, as it recorded an average trend of 3.4), it came in the last rank in determining the level of institutional governance in the institutions of the research sample.

It is noted from the aforementioned Table 1. that all the values of the standard deviation of the fifteenth paragraphs of the institutional governance variables are less than one true, and this means the homogeneity and convergence of the answers of the sample members around each of the paragraphs of the main variables of institutional governance, which allows to a large extent judge the accuracy of the results Previous analysis related to average trend indicators.

Table 2. Determine the importance of sub-paragraphs of IC variables

Paragraph content	Mean	S.D	Weighted percentile	Ranking
The senior management in your organization has a clear understanding and understanding of the importance of IC	3.73	0.944	74.6	the fourth
Senior management in your organization imposes severe penalties upon discovering irregularities that demonstrate dishonesty and integrity.	3.60	1.037	72	seventh
The top management in your organization is always responsive to modern administrative and technological developments.	3.40	1.037	68	eleventh
The distribution of powers and responsibilities in your organization is clear so that no one person is alone in carrying out an entire task alone.	3.63	1.033	72.6	sixth
The senior management in your organization abides by the laws and instructions issued regarding IC requirements	4.17	0.592	83	the first
Your organization continually abides by the recommendations issued by the Financial Supervisory Authorities of the Board of Supreme Audit	4.00	0.643	80	The second
The management of your organization works to follow the rational and appropriate methods when selecting qualified and efficient workers.	3.67	1.028	73	Fifth
Your organization has the promotion of functional values and commitment to work ethics.	4.00	0.830	80	The second
Your organization has clear procedures for segregation of jobs.	3.57	0.971	71	eighth
Powers in your organization are delegated to those who are familiar with it and its legal branches.	3.60	0.894	72	seventh
The senior management in your organization is concerned with the procedures to reduce the risks related to the unplanned change of employees and the systems followed.	3.57	0.817	71	eighth
Senior management focuses on controlling only normal transactions.	3.43	0.774	68.6	The tenth
Your organization has sufficient and continuous procedures in place to verify the accuracy of business implementation.	3.53	0.900	70.6	ninth
The financial division in your organization is committed to the components of the accounting system	3.80	0.847	76	the third
The internal audit body constantly reviews the performance of your organization and submits necessary reports on it to senior management	3.63	0.718	72.6	sixth

Source: Output SPSS.

The results of analyzing the answers of the sample members using the average trend, and as shown in Table 2. Showed that paragraphs; the senior management in your organization abides by the laws and instructions issued regarding IC requirements. Your organization continually abides by the recommendations issued by the financial control bodies affiliated to the Board of Financial Supervision. Your organization is characterized by spreading functional values and a commitment to work ethics. The financial division in your organization is committed to the components of the accounting system. The senior management in your organization has a clear understanding and awareness of the importance of IC. Your organization's management works to follow Rational and appropriate methods when choosing. the distribution of powers and responsibilities is clear in your organization so that no one person

is alone in carrying out an entire task alone. The internal audit body constantly reviews the performance in your organization and submits the necessary reports on it to senior management. The administration imposes High penalties in your organization are severe when discovering violations that indicate dishonesty and integrity. Powers are delegated in your organization to those who are familiar with them and their legal branches. Your organization has procedures and Clear the process of separation of jobs. Senior management in your organization is concerned with procedures to reduce risks related to unplanned change of employees and the systems followed. Your organization has sufficient and continuous procedures to verify the accuracy of business implementation. Senior management focuses on controlling ordinary transactions only came in the first ten ranks, as it recorded trend averages , respectively (4.17), (4), (3.80), (3.73), (3.67). (3.63) (3.60), (3.57), (3.53), (3.43) and these variables represent a high positive trend and are the most important in influence among the fifteen variables In determining the level of IC in the same research institutions. Paragraph (18) The senior management in your organization always responds to modern administrative and technological developments. It ranked eleventh and last, and it also reflects a clear positive trend in determining the level of IC from the point of view of the sample members.

It is noted in the aforementioned Table No. (2) that all the standard deviation values for the fifteen paragraphs of the IC variables are less than one true, except for paragraphs (17), (18), (19), (22) which recorded a deviation greater than one true by Few, and this means the homogeneity and convergence of the answers of the sample members around each of the main variables of IC, which allows to a large extent judge the accuracy of the results of the previous analysis, which is related to the average trend indicator.

It is also noted from Table No. (2) That the main variable (control activities), whose sub- paragraphs are from (22 - 25), was ranked first in terms of importance, as it recorded an average trend of (3.81).(In the second place the main variable (information and communication), whose sub- paragraphs are (29), recorded an average trend of (3.8), and in the third place came the main variable (control environment) and its sub-paragraphs from (16-21) and recorded an average trend of (3 ,76) And in the fourth rank , the main variable (follow-up) and its sub-paragraphs came from (30), and it recorded an average trend of (3,63.(Finally, the main variable (risk assessment) ranked fifth, as it recorded an average trend of (3.5) and its sub-paragraphs (26-28), and that all the five main variables represent a clear positive trend and they reflect the clear level of the importance of these variables in determining the level of IC from the point of view of individuals the sample.

Analysis of the correlation of the variables

Table 3. Multiple regression of the dependent variable (IC) on the main independent variable, CG

Sig.	Rm link	R ²	F	mean squares	sum of squares	degree of freedom	Contrast source
0.04	0.64	0.492	4.651	0.681	3.405	5	regression
				0.146	3.514	24	The error
					6.919	29	Total

Source: Output SPSS.

The multiple regression analysis of the dependent variable (IC) on the main independent variable (institutional governance(in Table No. (3) showed that the value of the coefficient of determination The (R²) amounted to (49%) and this means that the main independent variables explain and participate by (49%) in determining the level of IC for the institutions of the research sample. It was also clear from Table (3) that the value of (Fcalculated)it reached (4.651) which is higher than the value of(F Scheduled) with a moral level (0.05) and a degree of freedom (24,5) with a confirmed moral relationship model and the validity of the hypothesis saying (the level of efficiency of the ICS and the availability of its components is determined by the level of application of the concept and principles of institutional governance.).

The availability of the concepts and principles of institutional governance constitutes a positive trend in the Institutions of the research sample, which is represented in the form of it is clear in the paragraphs)The financial Statements in your organization are prepared in accordance with local legislation, it always enhances the internal Control system in your organization from the principles of CG, your organization has A clear division of responsibilities between executive functions the supervisory, the regulatory authorities in turn

To the fullest in monitoring the implementation of and follow - up of your organization, the senior management Working to achieve the organization's vision and mission, the internal audit constantly reviews the transactions of All parties those who have a relationship with your organization and recommend it to the higher management. Your organization is distinguished by the fact that the supervisory cadres do their work without senior management Intervention, your organization continually discloses information periodically.

It ranked first in terms of the importance of the main variable of the IC components (control activities) which its paragraphs Sub (operate your organization manage to follow good roads and appropriate when selecting qualified personnel and talented, Your organization has the ability to spread job values and adhere to work ethics. Your organization has clear procedures for the process Separation of functions, powers are delegated in your organization to those who have knowledge of it and its legal branches. The main variable (information and

communication (came in second place, whose sub- paragraphs). Division is committed to your organization with the components of the accounting system).

The main variable(control environment) and its sub-paragraphs(available to the senior management in your organization) came in third place Understand and clearly understand the importance of IC, senior management in your organization imposes severe penalties when irregularities are discovered Denotes dishonesty and integrity, the top management in your organization always responds to modern administrative and technological developments Clear distribution of powers and responsibilities in your organization so that no single person can do an entire task alone,The senior management in your organization abides by the laws and instructions issued regarding IC requirements, your organization abides by Continuously follow the recommendations issued by the Financial Supervisory Bodies of the Financial Supervision Bureau).

The main variable(Monitoring)and its sub-paragraphs ranked fourth. The internal audit body reviews Performance in your organization constantly and submit the necessary reports on it to senior management. Finally, the main variable (risk assessment)and its sub-paragraphs ranked fifth. The senior management in your organization is concerned with procedures to reduce risks related to unplanned change of employees and the systems in place, senior management focuses on Control over ordinary transactions only. Your organization has sufficient and continuous procedures to verify the accuracy of business execution. And that all the five main variables represent clear positive trend, and they reflect the clear level of importance of these Variables in determining the level of IC from the point of view of the sample members

CONCLUSION

The study concluded that there is a relationship between the main and secondary variables, and we conclude from the results that activity of the higher administrations should not be limited to directing the dissemination of the concepts and principles of institutional governance, but rather they must be committed to implementing those concepts and principles in addition to the commitment to implement the regulations and instructions in force and to spread awareness among all members of the institution to abide by those concepts. The activity of work teams of all kinds constitutes a recent trend in different institutions, as it is one of the models of participation that has an important impact in carrying out the tasks of the institution, achieving its goals and solving many of the problems that these institutions face on an ongoing basis. Therefore, building an integrated work team with different specializations is necessary at

the present time, so that its first task is to focus on the dissemination and application of the concepts and principles of institutional governance. Senior management and in all institutions must support and assign the IC and internal audit systems and provide them with efficient scientific and practical elements and take into account the reports submitted by them because they are considered the safety valve to achieve the objectives of these institutions and to fight administrative and financial corruption as well. Internal audit staff must be trained in risk assessment and full awareness of all actions taken it can contribute To an increase in administrative and financial corruption in government institutions.

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