

**THE ROLE OF EXTERNAL AUDITING IN REDUCING  
ADMINISTRATIVE AND FINANCIAL CORRUPTIONS IN STATE  
AGENCIES UNDER GOVERNANCE  
ANALYTICAL STUDY OF THE OPINION OF SPECIALISTS IN SOME  
GOVERNMENT INSTITUTIONS**

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**ABSTRACT**

External audit career is currently facing sharp criticism of individuals, civil society and non-governmental organizations because of the weakness and complacency of combating various forms of administrative and financial corruption. The researchers aimed to determine the role of the government external audit in combating in the light of governance. To achieve the the research, a distributed to the study sample of (100) external government auditors as well as university professors and other parties dealing directly with the auditing (90) questionnaire. After the analysis of the questionnaire vocabulary by using the statistical program (SPSS), many of the results were obtained. The most important of these problems is the lack of integration, joint planning, poor coordination and exchange of information among them, which has a negative effect on the public sector. Performance of government agencies in the face of administrative and financial corruption. The study concluded with a set of recommendations: The adoption of the concept of governance in Iraq, is necessary to address and address the problem of administrative and financial corruption suffered by government agencies. And the unification of the external audit with a single supervisory body with a broad authority responsible for monitoring and auditing all government institutions.

**Keywords:** External Auditing, Governance, Administrative and Financial Corruptions in State Agencies

## INTRODUCTION

In Lately years there are much interest in the audit profession, whether internal or external, after the multiplicity and succession of crises and financial scandals which hit the largest companies across the world, one of this rezones the administrative and financial corruption, where one of the causes of administrative and financial corruption was blamed on the weak role of external audit, Background The confirmation of the validity of the accounts and financial statements and their data and information does not reflect in many ways the reality of the situation, so it is necessary to develop the functions and responsibilities of accountants and government internal and external auditors to provide professional attention to allow the confrontation and reduce the phenomenon Administrative and financial to accelerate the process of economical development.

## RESEARCH METHODOLOGY

### *Research Problem*

The problem of research is the growing phenomenon of administrative and financial corruption in all economic, administrative and social aspects. In contrast, there is weakness in the role of external auditing in confronting and fighting administrative and financial corruption and reducing it. Hence, can be identified the problem research in the following points:

- 1 - The weakness of the capacity and effectiveness of external auditing in reducing financial corruption in government agencies and administrative.
- 2 - The weakness of integration and coordination between external audit bodies among them, has negatively affected the performance of government agencies and face administrative and financial corruption in them.

### *Significance of research:*

corruption which has grown and taken into different sizes and forms that affect all aspects of social, political, economic and cultural life, and the

necessity of directing accounting literature efforts to develop and activate the role of accounting and auditing profession in the Arab countries in general and Iraq in particular against this dangerous phenomenon that threatens its development plans Economic, and treatment of the shortcomings of accounting research and Arab scrutiny in the interest in spite of the academic interest received by this issue, so this topic took the interest of researchers and form the main motive for this research. In this research, the researchers will focus on how external auditing can play a role in combating corruption under governance, developing appropriate solutions to address them, and avoiding recurrence in order to ensure and reduce their harmful effects on economic, social and administrative aspects. Is expected to continue to occupy this attention for a short period because it is a global phenomenon and is rejected religiously and mundane, especially in Iraq, which is currently under pressure to make changes and reforms in its economics legislation.

#### *The Research Objectives*

- A. Highlighting the nature and types of corruption and financial management.
- B. Demonstrate the concept, principles, objectives and importance of corporate governance.
- C. The role of external auditing as one of the mechanisms of governance to reduce and prevent financial and administrative corruption, and this objective is the most important contribution of the current research compared to the lack of previous studies according to the knowledge of researchers in this area.

#### *Research Hypotheses*

The research is based on the basic assumption that **(external audit under the governance plays an effective role in reducing administrative and financial corruption in government agencies)**, and stems from this hypothesis the following sub-assumptions:

1. The multiplicity of t the external auditing the government and lack of integration and poor coordination among them Impact negatively on the performance level in government units.

*Community and Research Sample:*

In order to achieve the objectives of the research and collect data and to collect the necessary information objectively and impartially and analyze the results accurately, the researchers are asked to prepare the questionnaire and conduct field visits to the executive and supervisory bodies of the government sample of the research and interviews with the research community of officials and employees of those organs and staff of the Office of Financial Supervision and Integrity Board, Government agencies, university professors, and other parties who deal directly and daily with the external audit services, namely, account managers and internal audit managers in a number of public universities with expertise and specialization in this field. Forty (100) questionnaires were retrieved, retrieving(90) ff STEPANA complying with the terms of analysis and study.

*Research methodology*

in this research paper we select tow type of sources as the follows:

- A. Theoretical side are as: laws, regulations, instructions, previous studies, letters and dissertations, as well as books and Internet.
- B. The practical side: It was based on the basis of the questionnaire, which was designed as well as personal interviews.

LITERATURE REVIEW

2. **Study (Al-Obeidi, 2017) entitled (Public accountability tool to reduce the phenomenon of overtaking public money in various state institutions)**

An applied study conducted in the Office of Financial Supervision and some regulatory and academic institutions focused on public accountability as one of the most important tools to reduce the excess of public money, which is an indicator of financial and administrative corruption, and the importance of the study of the effectiveness of

accountability as a tool to reduce the phenomenon of overtaking public money to stop the waste Public funds and theft through the activation of this tool in government agencies in order to reduce the negative effects of the phenomenon of overtaking public money, and reached the study: The most important goals and the need to activate the role of accountability by the House of Representatives of the organs Komeh for its performance in spending budget funds, which in turn will enhance the detection of administrative and financial corruption process.

### **3. Study (Al-Qaisi, 2017) entitled: (The role of auditing procedures in the fight against administrative and financial corruption)**

This study shows the impact of administrative corruption on the development of countries by hindering economic development and the destruction of democracy by corrupting legislative organs and bodies by reducing accountability, accountability and intervention in policy making, as well as giving the issue of corruption more importance as one of the economic problems affecting economic development. The researcher: Lack of qualified owners with a level of scientific and practical qualification in the field of accounting and have suitable experience to work in the sections of accounts and financial control and this leads to the possibility of detecting abuses in financial transactions or any financial irregularities and bribes or embezzlement Or nepotism or mediation and the weakness of the Inspector General and the Integrity Commission to achieve the desired goal of their establishment. This weakness has further complicated the administrative work carried out by the Office of Financial Supervision alone and efficiently than it is now.

### **4. Study (Mahdi, 2011) entitled: (quality audit and its implications in the fight against financial corruption)**

aim of study is to examine the quality of auditing and its impact on the fight against financial corruption and its importance is highlighted by the increase in cases of financial corruption at the global level and Iraq in particular and the required quality of auditing by the auditing agencies to reduce financial and administrative corruption. The Office of the Financial

Supervision, through the field application conducted by the researcher in the Office of Financial Supervision as well as field visits to the General Company for the trade of food and meet the staff of the Bureau and the company and in the light of theoretical and practical studies and sample brain Sometimes a set of conclusions and recommendations have been reached which are applied positively and avoidance of negative ones leads to improving the professional performance of the auditors, which leads to the quality of auditing, which limits the cases of financial and administrative corruption.

#### *The most current research on the previous studies*

The previous studies dealt with the analysis of administrative and financial corruption, its motives and treatment methods, highlighting the role of the Financial Control Bureau as a tool of the legislative authority in dealing with this phenomenon by focusing on the financial aspects and proposing ways to limit them. The development of countries by impeding economic development and the destruction of democracy by corrupting the organs and legislative bodies to reduce accountability and accountability as one of the economic problems that affect economic development

And that this research shares some aspects of previous studies, but it distinguishes it as seeking to know the role of external audit in reducing administrative and financial corruption in government agencies under the governance through an analytical study of the views of specialists in some government institutions

## THEORETICAL RESEARCH

### *1. The concept of financial corruption and administrative:*

The phenomenon of corruption is one of the phenomena that has long attracted the interest of researchers because of the many methods and diversities of its harmful penetration in the joints of the state and societies, which penetrate in varying proportions between society and another country or country, depending on the stages of progress or political, economic, social and legal decline, And the nature of cultural composition and culture prevailing among the members of society, which makes the agreement on one

concept a difficult task and very complex The researchers will address several definitions for the purpose of reaching a more accurate understanding of the concept of corruption as follows:

- A. The United Nations defines it as "the exploitation of public power for private gain,  
and this private gain is an economic crime" (Cain, 2001: 236)
- B. Exemption from law and order or the exploitation of public. It is in this sense (immoral and biased in the use of power or job location that gives some preference over others) (Al-Rashidi, 2009: 11).
- C. Transparency International has defined corruption as "the behavior of officials in the public or government sector, whether politicians or civil servants, to enrich themselves or their relatives illegally and through the use of the power granted to them" (Shukr,2008: 32)
- D. moral deviation at the administrative level of senior officials and the public service in the existing authorities through taking bribes, embezzlement, fraud and forgery, tax evasion, and the sale of state funds to achieve personal interests and cheap prices) (Abdul Aziz, 2007: 121).

Based on the above definitions of administrative and financial corruption, the researchers believe that the following definition can carry a comprehensive picture of administrative and financial corruption, which is deliberately deviating from ethical, legal and professional controls in order to favor the personal interest at the expense of the public interest under the cover of the job.

## 2. *Causes of administrative and financial corruption:*

There are many reasons for administrative corruption, but six main reasons were agreed upon: (Zidane and Qweider, 2006: 3)

- A. **Personal reasons:** They are related to the individual's personality, his cultural level, level of education, and his view of legitimacy.
- B. **Social reasons:** It is a group of reasons produced by the customs, traditions and customs prevailing in society, which generate social pressures that create the appropriate environment for the growth and spread of the phenomenon of administrative corruption

- C. **administrative and organizational reasons:** It is reflected in the departure of workers in organizations on the regulations and regulations.
- D. **Legal reasons:** Because of the weakness of the legislative laws in deterring the crime of corruption because of some corrupt politicians, which resulted in the lack of fear of employees of the penalties that may be applied to them.
- E. **Political reasons:** Administrative and financial corruption is due to political reasons such as: the absence of freedoms and the democratic system within the institutions of civil society, the weakness of media and censorship.
- F. **Economic reasons:** They are reflected in the low level of per capita income and the weakness of incentives and functional rewards, which leads to the low standard of living of the majority of employees, and this leads to thinking of new ways to make money and easier to exploit the administrative function

### 3. *The negative effects:*

The most important effects as follows: (Fatali, 2011: 48- 49)

- A. **Misappropriation of resources: Resources** that could have been directed at the production of goods and services, whether monetary or non-monetary, are devoted to corruption by granting licenses to companies that may be less efficient but have closer relations with the Government
- B. **Administrative and financial corruption develops policies and systems shaded and non-responsive:** Legislators in corrupt regimes are creating policies and regulations that are not aimed at improving the economy at large or improving the political environment, but rather with certain elected elites and those who bribe government officials to pass systems that serve their goals.
- C. **Administrative and financial corruption reduces the level of investment:** Investors avoid an environment where corruption is pervasive because it is reflected in business costs, undermines the rule of law and negatively affects external and internal investment levels.

- D. Administrative and financial corruption limits competition and effectiveness:** Demanding government officials bribes to secure or deny services limits the number of companies entering the market and creates an environment that forces companies that do not want or cannot pay bribes to resort to a trade protection policy that leads to poor or inefficient productive inputs. Turn of efficiency, productivity, and competitiveness.

4. *Obstacles to combat administrative and financial corruption:*

Despite the intensive efforts to combat administrative and financial corruption, there are many obstacles that hinder these efforts, notably: (Mazloun and Abdel Moneim, 2000: 30)

- A. The weakness of the internal control bodies in the government agencies and the failure to do their role as required.
- B. The reluctance of some to report corruption crimes for fear of retaliation or exposure to their personal interests.
- C. Slowness of judicial proceedings and failure to achieve deterrence for spoilers.
- D. The absence of clear and specific legal provisions that criminalize certain types of administrative and financial corruption.
- E. The use of modern techniques and techniques in their crimes.

5. - *Corporate Governance Concept:*

The authors did not agree on a clear and specific concept of the term "governance." The authors of the definitions have returned to overlap in many organizational, economic, financial and social matters, but we can list a set of definitions to the extent that they are consistent with the subject. (Hammad, 2009: 9). "Governance is a set of rules under which a company can be managed by a board of directors to protect the interests and financial investments of shareholders who may reside thousands of miles away from

the company. As defined by the Organization for Economic Co-operation and Development (OECD), which defined corporate governance as "a set of relationships among the managers of the company, the board of directors, shareholders and other shareholders. Thus, we can conclude from the previous definitions that corporate governance is a system that is concerned with finding and organizing of the managers . It includes many elements, principles and procedures that work together to distribute the, Rights of shareholders, bondholders, employees, stakeholders and others. Based on these previous definitions, the term governance refers to the following characteristics: (Hammad, 2009: 1)

#### 6. *Principles of Governance Corporate:*

The Organization for Economic Co-operation and Development (OECD) has developed general principles of governance: (Shawawra, 2009: 127)

- A.** The availability of an effective corporate governance framework that promotes transparency and efficiency of markets and is consistent with the role of laws and clearly defines the division of responsibilities among the various bodies responsible for supervision, oversight and enforcement of the law.
- B.** Preserving the rights of all shareholders in terms of their right to transfer ownership.  
statements and the right to participate effectively in the meetings of the General Assembly.
- C.** equality in dealing between shareholders in terms of the right to defend their legal rights and voting and participation in the basic decisions and the right to see the practices of all members of the Board of Directors and Executive Management.
- D.** Respect the role of the stakeholders or parties associated with the company (shareholders, lenders, board of directors, executive management, manpower, society) and compensate them for any violation of their legal rights and allow them to participate effectively in the control of the company.
- E.** Fair and timely disclosure of the role of the auditor.

- F. Determining the legal rights and duties of the Chairman and members of the Board of Directors and how they choose their members and the role of supervision entrusted to the executive management and stakeholders and the Audit Committee.

7. *Importance of Governance Corporate:*

The importance of good corporate governance lies in:(Al-Rashidi, 2009: 17)

- A. Fighting corruption in every form whether financial, administrative or political corruption.  
 B. Attract foreign or domestic investments and reduce capital flight.  
 C. Stability and credibility of the financial sectors at the local and international level.  
 D. Ensure that investors receive a profitable return on their investments.  
 E. Increase growth and maximize equity and stakeholders.  
 F. Strengthening the competitiveness of companies in the global financial markets.  
 G. Ensure the efficiency of the implementation of privatization programs and the optimal use of their financial revenues.

8. *Mechanisms of corporate governance .*

The concept. These mechanisms will be addressed briefly and as follows:

**First: internal mechanisms of corporate governance, including:**

**A. Audit Committee:**

It is a committee composed of members of the Board of Directors whose responsibility is. This group consists of at least three members of the Board of Directors, whose work is governed by a written manual clearly stating its responsibilities and duties. Some of them: (Michael, 2005: 15)

- Ensure the adequacy of internal control systems.
- Evaluating the performance of financial management, internal auditors and external auditors.
- Supporting the independence of both internal and external auditors.

- Choose the external auditor and determine the fees.
- Ensure appropriate coordination between internal and external auditors and management.
- Examine the results of the internal and external audit and follow up the recommendations that resulted from them. Companies with audit committees, where the incidence of illegal financial transactions is low, as well as increasing the reliability of financial statement information, particularly companies listed on the stock market .

## **Second: External mechanisms of corporate governance, including:**

**A. Competition of the product market (services) and the administrative labor market:** Competing the product market (services) and the labor market the product market (or service) competition is one of the important mechanisms for corporate governance. By properly performing its duties (or not qualified), the management will fail to compete with companies operating in the same field Industry, and thus bankrupt, so competition in the market for products (or services) is a reflection of the conduct of management, especially if senior management has an efficient market for administrative work.

## **B. External Audit:**

External audit is an external mechanism of corporate governance where external auditors monitor and improve performance, enhance accountability and integrity, prevent and detect administrative and financial corruption, and build trust between stakeholders and citizens in general. External auditing is a cornerstone of good corporate governance. It is possible to apply them in governmental units through supervision, foresight and foresight. The responsibility of supervising is to check whether government units are doing what they are supposed to do and useful in detecting and preventing administrative and financial corruption. Either insight helps decision makers By providing them with an independent evaluation of government programs, policies, processes and outcomes, and identifying the trends and challenges faced by those units, the auditors use tools such as financial auditing, performance auditing,

testing and advisory services to accomplish all these roles The role of internal and external auditing has become more integrated in the modern business environment. The relationship between them has increased with increasing requirements for corporate governance. This is noted by the impact of the internal audit function on the nature of the timing and extent of the annual external audit, Check the outside as far as his understanding of the system of internal control, risk assessment procedures, and procedures for the collection of evidence necessary for the detailed tests and when the external audit functions of the performance of the external auditor may depend on the work performed by the internal audit function in advance (Isa 2008: 18). The role of internal audit will enhance the role of external audit, which may need to deepen the issues that may raise doubts during the planning Process of the audit. Which may have a high degree of administrative and financial corruption, as well as contribute to the prevention of a large extent of audits, some of which may be carried out in a routine manner that can not be inferred from concrete evidence of the existence of corruption notes that the Audit and Internal Audit Committee is the most influential in the corporate governance applications of government agencies. Both internal and external auditing are effective monitoring mechanisms within the framework of the corporate governance structure, ensuring the accuracy and objectivity of financial reports, and preventing and detecting fraud and counterfeiting to reduce administrative corruption. It is clear that some corporate governance mechanisms can be used to reduce administrative corruption And financial support, by supporting internal and external audit of audit committees, enhancing their independence to ensure the accuracy and reliability of audit work, and ensuring the accuracy, objectivity and transparency of financial reports, as well as follow-up to verify that the management of institutions and units of the State And to put in place the precautionary measures that prevent any financial or administrative irregularities in order to reduce the administrative and financial corruption to the lowest level, in order to eliminate it. There is no doubt that it is possible to say that corporate governance has received many applications in the companies And

contributed greatly to the tightening of control and reduce administrative and financial corruption.

#### 9. *Role of Governance in Combating Administrative and Financial Corruption:*

We also discussed the concept of governance through a series of internal and external oversight mechanisms. We explained each mechanism and its effective role as a means to address the problem of corruption. Recent legislation has led to the role of audit committees to play an important role in monitoring and reporting on the effectiveness of governance. The presence of the Audit Committee ensures that the quality of accounting policies, internal controls and independent external auditors are appropriate and appropriate in order to prevent fraud and fraud in addition to the role of the Audit Committee in anticipating the financial risks and enhancing the high quality and correct disclosure Mali ( Drosi , Pacific 2012: 2). Audit is a key to governance. The Institute of Internal Auditors has developed the Standards and Code of Internal Audit Ethics to address the new environmental changes that have occurred as a result of financial collapses around the world. Internal auditors must be concerned about the key risks affecting the objectives and resources. The role of external auditing becomes essential and effective in the area of governance. The duties and responsibilities of the auditor are professional, practical mechanisms that have positive contributions in supporting the positive governance role of auditing. This role cannot be achieved unless the auditor himself is convinced that his governance role is linked to his willingness its ability to enrich professional practice and demonstrate that external auditing has an indispensable role for corporate stakeholders. This role can be achieved through the auditor's keenness to improve the quality of audit and to activate the professional accountability of the auditor.

#### PRACTICAL PRESEPECTIVE

##### **The first axis: research procedures**

##### **First: the study tool**

To achieve the objectives of the study, a questionnaire was prepared on the role of external auditing in reducing administrative and financial

corruption in government agencies under the governance. An analytical study of the views of specialists in some governmental institutions The questionnaire consists of two main sections, as follows:

**The first Section:**

General information about respondents (qualification, years of experience, job title).

**The second section:**

the areas of study, and consists of 10 paragraphs, distributed in two areas:

**The first field:**

Governance contributes to strengthening and activating the role of the government external audit in reducing administrative and financial corruption and consists of (5) paragraphs

**The second field:**

integration and coordination between the external audit bodies government leads to disclosure and reduce the phenomenon of administrative and financial corruption and consists of (5) paragraphs

The five-dimensional Likert scale was used to measure respondents' responses to questionnaire paragraphs ranging from strongly disagreeing to strongly agree, as shown in Table 1 below:

**Table 1. Responses scales following likert scale**

Statistical Significance	Strongly Disagree	Disagree	Neutral (average)	Agree	Strongly agree
Relative Weight	1	2	3	4	5

Finally, the accepted mean of the research is calculated as follows

The total score of the scale is the sum of the weights on the number  $(5 + 4 + 3 + 2 + 1) / 5 = (15/5 = 3)$ , which represents the satisfactory mean of the research. The actual mean of the expression from the mean mean that the respondents agreed to the phrase. If the actual mean is increased from the mean, this indicates that the respondents did not agree to the phrase.

**Second: Statistical Method**

The statistical method used in the analysis of these data is the frequency and percentage of respondents' responses as well as the mean and the standard deviation of the weights of the respondents' answers. The mean is used to describe the data to describe the trend of the respondents towards the phrase is negative or positive for the expression (3), this means that the respondents' responses are positive for the term, ie the approval of the phrase

In order to test the frequency of the respondents' answers, either in the negative direction or in the positive direction, a Kay square test is used as the quality of the match

strongly agree, agree, Neutral, Agree, Strongly disagree) If the sample size is 90, they are evenly distributed for the five answers (8 for each answer) . If there is a statistically significant difference between the expected (8 for each answer) and the duplicates obtained, this means that the respondents' answers tend to be positive or negative, as this can be determined by the actual arithmetic mean is greater than the mean or less than the mean And a Kay square test where we get the value of a Kay squared .

$$X^2 = \sum_{i=1}^n \frac{(O_i - E)^2}{E_i}$$

That is

O<sub>i</sub>= duplicates seen

E<sub>i</sub>= expected duplicates (8 in this study)

N= Number of sample members

I=1. 2. 3

$\sum_{i=1}^n$  = summation

The probability value determines whether observed frequencies by comparing the probability value with a significant level (0.05). If it is less than (0.05), this indicates that there are differences between the frequencies and the expected observations and frequencies. In this case, we compare the actual arithmetic mean of the term with the assumed mean, if less than the mean mean is sufficient evidence that the respondents did not agree with the

statement, but if it is greater than the mean, this is evidence of the respondents' agreement on the phrase

## The Second axis: view results and test Hypotheses

### demographic characteristics search sample

variable	The details	Frequency	Percentage
Scientific specialization	Accounting	38	42 %
	Finance and banking	24	27 %
	Business management	10	11 %
	Economy	5	6 %
	Other	13	14 %
	Total	90	100 %
Scientific Qualification	less than BA	9	10 %
	BA	40	44 %
	M.A	18	20 %
	Ph.D.	23	26 %
	Total	90	100 %
job named	Financial manager	4	4 %
	Internal Auditor manager	3	3 %
	Accountant	23	26 %
	External Auditor	39	43 %
	Internal Auditor	21	24 %
	Total	90	100
Years of Experience	Less than 5 years	10	11 %
	From 6 – 10 years	6	7 %
	From 11 – 15 years	13	14 %
	From 16 – 20 years	28	31 %
	From 21 years and above	33	37 %
	Total	90	100 %

A. The results indicated in Table (2) show that the highest percentage of scientific specialization was (42%), accounting specialization, followed by financial and banking sciences (27%), followed by Business Administration (11%), (6%), while 14% were graduates from different disciplines. This indicates that members of the study sample are qualified to work in the accounting and financial fields.

- B.** Well shows Table (2) The percentage of students holding a bachelor's degree was (44%) of the sample. The percentage of holders of a master's degree was 20%. The percentage of PhD holders was 26% Of the sample, while the percentage of holders of degrees without a bachelor (10%). And here we note the high level of educational achievement among the sample of the study because of the increased interest in education in Iraq
- C.** The table shows that the oldest sergeant is the most among the sample of the study, and by (43%) of the total sample size. The accountants and the internal auditors were followed by 26%, 24% respectively, the financial manager's name, 4%, and finally the name of the internal audit manager, representing 3% of the total sample. . It is noticed that the number of auditors exceeds the number of auditors.
- D.** It is also clear from Table (2) that the highest percentage of the study sample is concentrated in the category of experience (21 years and above), which constituted 37% of the total sample, then the repeat category (11-15 years) (16.8%), followed by the category (16-20 years), which constituted 31%, followed by the category (11-15 years), which represented 14% 7%), and finally the repeat category (5 years and less), which accounted for (11%). This indicates that the experience of the sample members is good and sufficient to carry out the tasks entrusted to them. It gives them an additional positive advantage that enables them to handle the accounting matters of their work in a highly professional manner
- E.** The above characteristics indicate the ability of the sample members to understand and answer the questionnaire questions.

### *1. Results analysis and hypothesis testing:*

**The first axis: (Governance contributes to strengthening and activating the role of external audit the government in reducing administrative and financial corruption)**

For the purpose of proving the first hypothesis or not, it must be tested statistically, and tables (3) show the results of the analysis of the first hypothesis (the first axis) as follows:

**Table (3)** results of descriptive statistics and frequency distribution and testing kay square to the first axis

First axis questions	The scale	Don't agree Entirely	Don't agree	Neutral	Agree	Agree Entirely	Arithmetic mean	Standard deviation	Kay squared	Degrees of freedom	Probability value
The External Auditor plays an active role in implementing effective governance in the face of corruption.	n	-	-	-	28	62	4,7	0,5	12,8	3	0,00
	%	-	-	-	31,1	68,9					
Corporate governance mechanisms help to verify the integrity of financial and accounting reports and systems and to diagnose fraud, manipulation, misrepresentation and corruption in government agencies.	n	-	-	-	36	54	4,6	0,7	22,4	2	0,00
	%	-	-	-	40	60					
External auditing agencies adopt the use of modern auditing techniques and modern technical means to detect deficiencies and imbalances in financial performance and corruption	n	-	8	2	22	58	4,4	0,5	25,7	2	0,00
	%	-	9,0	2,2	24,4	64,4					
The External Audit Department develops systems and programs to continuously improve the performance of the external auditor to contribute to the improvement of the quality of audit performance and to face the phenomenon of corruption.	n	-	-	6	32	52	4,5	0,8	35,3	3	0,00
	%	-	-	6,6	35,6	57,8					
The external auditor is professional and has high	n	-	2	4	30	54	4,5	0,6	16,4	2	0,00
	%	-	2,2	4,4	33,4	60					

performance in distinguishing indicators of fraud, manipulation and misrepresentation of corruption in the records and financial statements. In addition to his scientific qualifications which enhance the control work in reducing corruption.											
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Table (3) above show:

- 1-The mean of all expressions is between 4.4 and 4.7, which is greater than the mean arithmetic mean. 3 This indicates that the respondents' responses to these terms are moving in the positive direction, that is, their agreement.
- 2- The standard deviation of these terms ranges from 0.5 to 0.8, indicating the homogeneity of the respondents' answers
- 3- The values of quadratic values ranged from 12.8 to 35.6, and in view of the probability value of all the expressions, they were less than the level of significance (0, 05). This indicates that there are statistically significant differences, ie, the answers of the respondents are limited to the answer,

**This ensures the validity of the first hypothesis which states that (Governance contributes to strengthening and activating the role of external audit the government in reducing administrative and financial corruption)**

**The second axis:( The multiplicity of t the external auditing the government and lack of integration and poor coordination among them Impact negatively on the performance level in government units).**

For the purpose of proving the second hypothesis or not, it must be tested statistically, and tables (5) show the results of the analysis of the second hypothesis (the second axis) as follow:

**Table (4) results of descriptive statistics and frequency distribution and testing kay square to the second axis**

The second axis questions	The scale	Don't agree Entirely	Don't agree	Neutral	Agree	Agree Entirely	Arithmetic mean	Standard deviation	Kay squared	Degrees of freedom	Probability value
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Lack of external audit bodies to plan joint audit procedures is reflected negatively reduction on administrative and financial corruption	n	-	2	2	6	80	4,8	0,4	31,6	3	0,00
	%	-	2,2	2,2	6,6	90					
The absence of integration and coordination between the external audit organs of government is reflected negatively on the performance of government agencies and increases the chances of administrative and financial corruption	n	-	2	6	24	58	4,5	0,6	22,4	2	0,00
	%	-	2,2	6,7	26,7	64,4					
- One of the most important problems facing the external auditing of the government is the lack of integration and joint planning and poor coordination and exchange of information between them	n	-	2	4	34	50	4,4	0,6	16,8	2	0,00
	%	-	2,2	4,4	37,8	55,6					
- The lack of precise identification of the functions and functions of the external government auditing leads to the failure to eliminate duplication of tools or objectives and even results	n	-	-	6	18	66	4,6	0,7	22	2	0,00
	%	-	-	6,7	20,0	73,3					
- Unify the Supreme Audit Institutions of the Government with a single regulatory body with wide authority to eliminate duplication of tools, objectives and results, lead to effective control and reduce administrative and financial corruption	n	-	-	10	46	34	4,2	0,9	63,2	2	0,00
	%	-	-	11,1	51,1	37,8					

**(The multiplicity of t the external auditing the government and lack of integration and poor coordination among them Impact negatively on the performance level in government units).**

Based on the results of the statistical analysis shown in the previous paragraphs for the previous feeding **(external audit under the governance plays an effective role in reducing administrative and financial corruption in government agencies)**

## CONCLUSIONS AND RECOMMENDATIONS

### CONCLUSIONS

- 1 - Corruption is one of the most serious problems experienced by state institutions is deliberate behavior deviant contrary to the law and regulations and instructions and ethical and professional controls, where methods vary under the cover of corruption depending on the body that is exercised and signed in the pyramid and has political and financial aspects, administrative and ethical impact negatively on Society, individuals and institutions.
- 2- Administrative corruption leads to weakening the credibility of the state abroad, especially in front of the foreign investor.
- 3- Compliance with the rules of governance and rules by the governmental and supervisory bodies will reduce the administrative and financial corruption in them and increase the efficiency of their performance, thus increasing the confidence of local and foreign investors in government companies and then in the whole country.
- 4 - One of the most important problems facing the external oversight bodies is the absence of integration and joint planning and poor coordination and exchange of information among them, which is reflected negatively on the performance of government agencies and face administrative and financial corruption.
- 5- The field study showed that there is a positive and vital role for external auditing in the light of governance in reducing administrative and financial corruption in government agencies.

### RECOMMENDATIONS

1. The need for professional organizations and interested parties in the auditing profession to organize effective training courses continuously in the field of reducing corruption and modern methods in the detection of corruption, especially in accounting systems that rely on computers as well as communication with universities and academic centers to increase the efficiency of the auditor, as well as attention to rules of conduct Professional and ethical rules that ensure that the auditor performs his

duties to the fullest and communicate with the auditors to familiarize them with these ethical and behavioral rules through brochures, leaflets or training lectures in a planned, periodic and continuous manner.

- 2 - Integrating educational guidance and this requires religious and moral guidance, it is necessary to instill virtuous ethics in them as well as improve the social environment as the social environment employee has a role in the misconduct that lead to bypassing the systems to achieve a special interest resulting in corruption
3. Adoption of the concept of corporate governance in Iraq is necessary to address and address the problem of administrative and financial corruption experienced by government agencies.
- 4 - Unification of the external control bodies with a single supervisory body with a broad authority responsible for the control and audit of all institutions and government agencies.
- 5 - The need to activate international cooperation in the fight against administrative and financial corruption, and make the most of the experiences of some developed countries that have achieved remarkable results in the face of corruption.

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