

# The Role of Internal Audit Based on Internal Control in Enhancing the Efficiency of the Outputs of the Government's Accounting System<sup>1</sup>

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## ABSTRACT

The internal audit function focuses on detecting tampering that may occur in government units and enterprises, as well as identifying weaknesses and gaps that the employees of those government units and enterprises suffer from, and then addressing them by to give a neutral technical opinion. This control function of internal audit will increase its effectiveness in the case of construction. The system of tight internal control for the purpose of improving the efficiency of the outputs of the government accounting system. One of the most important results of the research was the lack of application of local and international internal auditing standards and the weakness of the internal control systems in the centrally funded government units, which contributes to the weakness of the efficiency of the outputs of the auditing agencies and a material shortage of internal control, which in turn will be reflected in the weakness of the outputs of the government accounting system. The researcher reached a set of recommendations, the most important of which is the need to implement local and international internal auditing standards in government units funded centrally in order to raise the efficiency of internal auditing agencies, develop and improve the internal control system, and develop its human cadres, which contributes positively to raising the efficiency of control work in these government units.

**Keywords:** *Internal Control; The Government Accounting System; Internal Auditing*

## INTRODUCTION

The expansion of the size of government units and the increase of their activities has led to the diversification of the roles of the internal audit apparatus to prevent cases of fraud, manipulation and embezzlement, and to reduce the commission of intentional and unintentional mistakes, by identifying the gaps and weaknesses that these units suffer from, and then addressing them. This role will be more efficient and effective in the event of The internal audit is based on effective internal control, as well as the application of international auditing standards and local auditing standards that are applied in a country, reinforced by human elements that are characterized by having the necessary experience, competence and professionalism, and thus protecting the financial and non-financial assets of government units. The internal audit function is no longer limited to financial operations after disbursement and the protection of the assets of government units. Rather, the internal audit function based on internal control has expanded to include, in turn, the practice of various types, including financial and administrative auditing.

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## **THE FIRST TOPIC: THE STRUCTURE AND METHODOLOGY OF THE RESEARCH:**

### **Research Problem:**

Many government units in Iraq suffer from the weakness of the internal audit apparatus in them, due to the fact that the work of these apparatus and their employees is still a traditional work and does not rise to the required level, in addition to the lack of independence, which causes a decrease in the efficiency of the output of the government accounting system, and accordingly it can be formulated Research problem with the following question:

Is there an effective role for an internal audit system based on an effective internal control system in improving the output efficiency of the government accounting system?

### **Research Hypothesis:**

The research is based on a main hypothesis:

There is no statistically significant effect of the internal auditing system based on the internal control system in improving the efficiency of the outputs of the government accounting system..

### **Research Importance:**

The research takes its importance through the role played by the internal audit apparatus in detecting manipulation, fraud and corruption in financial and administrative issues. This role will increase if building on an effective and coherent internal control system and highlighting the weaknesses in the outputs of the government accounting system and addressing them and strengthening and multiplying the strengths.

### **Research objective:**

The objective of the research focuses on knowing the role that internal audit plays in evaluating and raising the efficiency of the outputs of the government accounting system, especially in enhancing the degree of impartiality and independence enjoyed by the internal audit apparatus and its members in controlling and improving financial and administrative performance..

### **Research Limits:**

The General Directorate of Education in Al-Najaf Governorate, one of the formations of the Ministry of Education, was chosen as the spatial boundaries of the research.

## **THE SECOND TOPIC: "THE NATURE OF INTERNAL AUDITING"**

### **The concept of internal audit:**

There are many definitions mentioned in the literature related to internal auditing. The following is an explanation of the most important of these concepts:

The American Institute of Internal Auditors has defined internal auditing as an independent activity that works to provide consulting and is an objective assurance that is designed to add value to the organization and improve its operations and works to help the organization achieve its goals by providing a systematic and disciplined approach to improve and evaluate the effectiveness of control, risk management and governance ( Whittington & Pany, 2022: 881).

Internal audit is an independent tool established within the organization for the purpose of evaluating the activities and work carried out by the organization's employees as a control service for management in auditing accounting and

financial operations, and it is one of the important tools that provide management with the necessary information, Internal audit represents one of the internal control circles (Nour El-Din, 2015: 15).

The Institute of Internal Auditors defines internal auditing as one of the consulting activities, which is designed to give value to the organization's operations. It is an independent, objective assurance that helps the organization achieve its goals and raise the level of its operations by providing disciplined and regular performance with the aim of examining, evaluating and increasing the efficiency of risk management and governance and control processes (Arens,at.al.,2017:827).

#### **Areas of internal audit:**

The work carried out by the internal audit can be divided into:

1- Financial Audit: The audits carried out by the internal auditors in the financial audits are different from the audits carried out by the external auditors. Internal auditors do not usually audit periodic quarterly, semi-annual or year-end financial statements in the same way as external auditors. Internal auditors focus on evaluating financial issues that the management believes are a source of financial problems that the audit suffers from, and which may be audited by external auditors, which allows this evaluation to provide an opportunity to correct errors before the external auditors perform the financial audit (Louwers, at.al., 2015: 685-686).

2- Operational audit: The internal auditors evaluate the effectiveness and efficiency of the organization in using the resources available to it to achieve its goals and objectives. Operational audit may not be limited to accounting only , rather, it includes evaluating any area that needs to be evaluated in accordance with the recommendations of the organization. It may include evaluating the organizational structure of the organization, computer operations, production and marketing methods (Hayes, at.al., 2005:14-15).

3- Compliance audit: Internal auditors have a prominent role in helping the administration to ensure compliance with laws, regulations and regulations issued by government agencies and higher authorities in the organization, as well as in ensuring that employees adhere to regulatory guidelines and rules. The government can impose large financial penalties and fines on organizations that do not comply with the requirements Occupational safety and health (Messier, et. al., 2017: 731).

#### **Internal Audit Objectives:**

After the development in the internal audit function, the objectives of internal auditing changed from traditional objectives in detecting fraud, error and manipulation to objectives that provide advisory and confirmatory services in order to add value to the organization. The main internal audit objectives can be summarized as follows (Al-Saedi & Al-Saedi, 2019: 19-20):

1. Ensure that the institution complies with the laws, policies, and legislation in force.
2. Evaluate the extent of compliance with administrative, accounting and operational controls.
3. Ensuring the extent of efficiency and economical financial, non-financial and operational activities.
4. Ensure compliance with external and internal requirements, as well as compliance with policies, plans, and directives of the Department.
5. Preserving the Foundation's assets and funds from misuse.
6. Assisting the institution's management in improving risk management and improving the role of internal control, as well as assessing and determining the size of the institution's risks.

#### **Importance of Audit Standards:**

Audit work is based on a set of generally accepted auditing standards in order to achieve the results of the professional performance performed by the auditor. The generally accepted auditing standards are used as a means of judging the level of the auditor's performance and the extent of his commitment and interest in the auditing profession. From this we conclude that auditing standards are a set of rules upon which the auditor relies in the performance of his professional duties, as it is considered a guiding means for the auditor in performing auditing work. The audit criteria

consist of three groups: the first group (General Standards), which are concerned with the personality of the auditor, the second group (Standards of Fieldwork), which are concerned with the field work procedures of the auditor, and the third group (Standards of Reporting), which are concerned with the auditor's opinion on the audited activities (Rifa'a, 2017: 139).

#### ***General Standards:***

These standards are concerned with describing the personal characteristics of the auditor and the required qualifications that must be available in the auditor to perform the audit tasks and include the general standards (Al-Matarina, 2009: 38-41):

**1. Independence:** The auditor and the supreme audit institution should have complete independence to perform audit tasks effectively, such as independence from the legislative point of view, independence from the executive point of view, and independence from the audited entity.

**2. Specialization (competence):** This criterion requires the availability of the necessary professional experience and certificates for the auditor and the Supreme Audit Institution, which are commensurate with the complexities of the audit task. Those in the audit profession should have sufficient experience and practical and scientific qualification to perform the duties of the audit task with high efficiency.

**3. Due diligence:** The auditor must exercise the necessary professional care when applying auditing standards. This includes the necessary care in maintaining the confidentiality of the information obtained by the auditor and the necessary care in drafting reports.

#### ***Fieldwork Standards***

These standards relate to the process of implementing the various audit procedures, and include three standards (Al-Thunaibat, 2009: 53):

##### **1. Planning and Supervision:**

The auditor must carry out sufficient and appropriate planning for the audit process, in the sense that the audit should not be impromptu, but there must be a clear plan and a detailed audit program that shows the audit tasks, their dates, and who performs them.

##### **2. Studying, understanding and evaluating the internal control system:**

This criterion urges the auditor to conduct a study and evaluation of the internal control system used in the economic unit (a government unit) in order to determine the extent to which it is possible to rely on this system in determining the size of the essential tests. Internal control includes the organizational plan of the economic unit (a government unit) and all the means and methods it uses in order to protect assets, ensure the credibility of financial statements, encourage efficiency and effectiveness, and encourage adherence to administrative policies, laws and regulations set by the administration.

##### **3. Obtaining sufficient, appropriate and reliable audit evidence:**

Audit evidence refers to all documents, reports, results, estimates, conclusions and calculations obtained by the certified auditor and which the auditor takes as a basis for determining whether the financial statements are correct and fair.

#### ***Standards of Reporting:***

These standards require the auditor to prepare a report on the financial statements as a single unit, including the media disclosure, and the audit standards require that the auditor mention in his report the extent to which the financial

statements agree with the approved accounting principles, as well as the cases in which these principles are not applied consistently and consistently in the current period in comparison with the period prior to it. And I have identified four criteria that govern the preparation of the audit, which are (Al-Quraishi, 2011: 36):

1. The report must specify whether the financial statements have been prepared in accordance with the approved accounting principles.
2. Cases of inconsistency in the application of approved accounting principles between the current period and the previous period must be mentioned in the report.
3. The financial statements must adequately and appropriately reflect the information they contain, unless the report indicates otherwise.
4. The report must contain the auditor's expression of his overall opinion on the financial statements, or his opinion on some of the elements that affected the lack of opinion. And when the overall opinion cannot be expressed in the financial statements, the reasons behind that must be mentioned in the report (Al-Quraishi, 2011: 36).

### **Risk Assessment and Internal Control International Standard on Auditing No. "400":**

The primary purpose of these ISAs is to set standards and provide guidance for understanding systems of internal control, accounting and risk auditing and their components: inherent risk, control risk and detection risk. Auditors must have a good understanding of accounting systems and internal control systems in order to plan the audit process and develop effective methods of implementation. Certified Public Accountants must use their professional judgment to assess audit risks and design audit procedures to ensure that risks are reduced to an acceptable minimum. Audit risk is the risk that the practitioner will issue an inappropriate opinion when there is a material misstatement of the financial statements. Audit risk consists of three components: (Hammad, 2010: 399-400).

#### ***Inherent Risks:***

There is a possibility that certain account balances or classes of transactions could be fundamentally wrong either alone or in combination with misinformation in other account balances or classes assuming that there are no relevant internal controls in place.

#### ***Control Risks:***

The risk of misinformation occurring in account balances or certain categories of transactions may be alone or in combination with misinformation in other balances or categories and cannot be prevented, detected and corrected in a timely manner by the accounting system or internal control system.

#### ***Discovery Risks:***

These risks are the inability of the auditor's material audit procedures to detect erroneous information in account balances or categories of transactions, which may be material on their own or combined with erroneous information in other account balances or categories.

### **THE THIRD TOPIC: "OUTPUTS OF THE GOVERNMENT ACCOUNTING SYSTEM"**

#### **Concept of government units:**

In the modern era, instead of relying on certain services on other services, the government chooses the services provided by the state from the concepts of these services, and thus directs the state to serve the public. The concept states that the services provided by the state are necessary services that the public must obtain regardless of the ability to pay, taking into account their social impact and the interests of the public such as education, health, defence, security and justice. It cannot be consumed by individuals alone, but by the collective services provided to the entire community, such as roads, bridges, other municipal services, security, defense, etc. (Al-Awwad and Al-Jajjawi, 2012: 11-12).

**Characteristics of government units:**

The activity of government units is a general activity and is not aimed at achieving profits, but rather an activity that seeks to provide public services in order to meet the needs of the people and society in terms of services in order to achieve social and economic well-being. The state provides a set of services to its people, which are almost non-existent, or for a small fee, such as security and defense services, education services, and health services in hospitals through its government agencies and units. Government units have the following characteristics (Al-Khatib and Al-Mahaini, 2010: 18):

1. Government units are considered non-profit-making.
2. There is no direct relationship between the revenues and expenditures of government units.
3. Government units lack a competitive advantage in providing services.
4. Government units do not own capital.
5. Government units provide services free of charge or for a very small symbolic fee.
6. Government units are obligated to apply the set of laws, legislations, and instructions in force from the higher authorities.

**The system of internal control in government units:**

The system of internal control in the government accounting system means the set of procedures set by the competent authorities for the various departments of the state for the purpose of preserving their resources, the proper disposal of public expenditures, and reassurance of the accuracy of accounting and statistical records, which helps them in the process of planning and making sound decisions to achieve effective financial management. The importance of internal control is highlighted as an integral part of the government accounting system (Al-Awwad and Al-Jajjawi, 2012: 84).

**Elements of the government accounting system:**

In order for the accounting system to perform its effective role, achieve the goals that government units seek to achieve, and provide the necessary information for information users to make decisions, a set of elements must be available (Al-Shehadeh et al., 2011: 43).

1. The existence of a set of approved and specific forms of documents through which the entry in the records and the proof of financial transactions are made.
2. The existence of a set of records with a unified and approved form in which accounting operations are recorded.
3. The presence of a set of auxiliary statistical and data records.
4. A set of regular final financial reports and statements.
5. The presence of a group of specialists in accounting and financial operations who have full knowledge of the activities of government units and the state's general budget law.
6. It is necessary to have an effective internal control that works to monitor the commitment of government unit employees to abide by the duties and responsibilities that fall upon them.

**Internal Audit and Internal Control System:**

Internal audit systems have an influential role in evaluating internal control procedures and systems and ensuring that their objectives are achieved. The work of internal audit was limited at first glance to auditing financial operations in the sense of accounting audit for the purpose of ensuring the correctness of recording, tabulating and classifying the financial data recorded in the accounting records and discovering errors, if any, and after the development. In internal audit systems, the scope of internal audit work has expanded to include evaluating the control methods used in following up the implementation of tasks (Nour El-Din, 2015: 51). There are a set of duties and responsibilities that the internal auditor must implement when carrying out the internal audit mission towards senior management, which are (Al-Khatib, 2010: 150-151):

1. Providing senior management with adequate information on the accuracy and effectiveness of the internal control system.
2. Providing information on the quality of the activities carried out in the facility.
3. Analyzing and evaluating the internal control system in order to develop and improve the internal control system.
4. Providing the necessary assistance in evaluating the procedures of the internal control system in order to achieve the objectives.

### **Internal auditing and the government accounting system**

The scope of work of the internal audit department includes all organizational units operating within the organization without exception, due to the nature of internal audit work, which indicates that among the powers of the internal auditors is the right to view the accounting system applied in the organization, identify weaknesses and provide the necessary guidance. They also have the right to view all documents. And important documents without any obstacles facing the tasks of the internal auditors. The following are the main aspects of the relationship between the internal audit department and the organizational units subject to audit (Al-Ramahi, 2017: 75-76):

1. The right to deal with the internal auditors must be given with all administrative and financial levels with all employees within the organization.
2. All employees within the organization must submit all documents and papers to the internal auditors in order to carry out the control and audit tasks.
3. All employees must provide the necessary assistance to the internal auditors during the performance of their duties and overcome the obstacles they face.
4. The internal auditor may not supervise and distribute the work assigned to the employees of the institution, as it is the prerogative of the president of the institution.
5. In application of the concept of independence and in order to reinforce the principle of objectivity, the internal auditor may not carry out the work of the institution under audit, whether by providing assistance from him or through a request submitted to him by the director of the institution, such as organizing accounting entries, completing some transactions, or providing customer service.
6. The officials of the audit department or senior management have the right to assign the internal auditors to carry out the tasks, and no executive director or any official directing unit has the right to assign the internal auditors to carry out the audit tasks.

The internal auditor may carry out correction procedures on financial transactions, if errors are found, complete deficiencies and submit the necessary proposals for that.

### **The internal control system and the government accounting system:**

The accounting system refers to the set of accounting tasks and restrictions of the economic unit that handles its transactions by keeping financial records. These systems identify, aggregate, analyze, calculate, schedule, record, summarize, and report transactions and other events. With regard to the internal control system, it refers to all policies and procedures (internal controls) approved by the management of the facility to assist it as much as possible in achieving its goal of ensuring that the work is managed in an orderly and effective manner, including compliance with management policies, protection of assets, prevention and detection of fraud and error, and accuracy of accounting records. completeness and timely compilation of reliable financial information. Accounting systems, namely: (Hamad, 2010: 400-404):

1. Control environment.
2. Control procedures.
  - a. The internal control system and the accounting system are usually linked to achieve the following set of objectives:
    - i. Ensure that transactions are carried out according to a general or specific permit of the administration.
    - ii. Ensure that all transactions and other events are recorded promptly, in the correct amount, in the appropriate accounts, and in the financial period to which they relate, in order to allow the preparation of the financial statements in accordance with the specified framework for financial reports.
    - iii. Access to assets and records is only permitted according to management decisions.

Comparing registered assets with actual assets, within reasonable periods, and taking appropriate measures against any discrepancies.

#### THE FOURTH TOPIC: "ANALYTICAL STUDY AND HYPOTHESIS TESTING"

This research aims to analyze "the role of internal audit based on internal control in enhancing the efficiency of the outputs of the government accounting system" and to test the hypotheses of the study through a set of questionnaires submitted to a group of employees of the Directorate of Education of Najaf in order to reach the acceptance or rejection of these hypotheses. Upon analysis, the distributed questionnaires were (34) forms with a percentage of 100%, and it was found upon retrieving the forms that the number of valid forms for analysis amounted to (34) forms, with a percentage of 100%, as shown in Table No. (1).

**Table (1) Number of questionnaires valid for analysis:**

N	Statement	Number	Percentage
1	The total number of distributed forms	34	%100
2	The number of valid forms for analysis	34	%100

Source: prepared by the researcher based on the statistical analysis program (SPSS).

#### The reliability and validity of the questionnaire:

The value of Cronbach's Alpha coefficient was taken for the questionnaire, and the result was (0.819), which is a very acceptable percentage, as the questionnaire items were (21) items distributed on three axes. Note Table No. (2).

**Table (2) shows the value of Cronbach's Alpha:**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.819	0.828	21

Source: prepared by the researcher based on the statistical analysis program (SPSS).

The value of Cronbach's Alpha was taken for all questions in the questionnaire, and the result was as follows.

**Table (3) shows Cronbach's Alpha for each question:**

Item-Total Statistics		
N	The question	Cronbach's Alpha if Item Deleted
First axis/ Q1	The existence of a unified and consistent control framework for the internal control system that contributes to strengthening the audit functions of the internal auditing bodies in government units, taking into account the privacy of each unit.	0.809
First axis/ Q2	The internal control system contributes to providing appropriate training and qualification programs for internal auditors in government units.	0.802
First axis/ Q3	The procedures and policies of the internal control system enhance the academic qualification obtained by the auditors of the internal auditing agencies during the years of study.	0.807
First axis/ Q4	The internal control system applied in accordance with local auditing standards contributes to supporting the opinion of the employees of the internal auditing agencies, which reflects its impact on raising the level of confidence in financial reports among users of financial reports.	0.807
First axis/ Q5	The efficiency of the performance of the internal audit staff is directly related to the level of strength of the internal control system.	0.809
First axis/ Q6	The internal audit agencies are concerned with examining and evaluating the internal control system in government units.	0.819

First axis/Q7	The presence of a clear plan for the internal control system regarding control and audit procedures and policies for the activity of the government unit enhances the strength of the internal audit apparatus.	0.802
Second axis/Q1	The government accounting system applied in government units is subject to the procedures and policies of the internal auditing body, characterized by the application of local auditing standards.	0.818
Second axis/Q2	The internal audit apparatus contributes to evaluating the outputs of the government accounting system applied in government units, which reflects its impact on the use of financial reports.	0.803
Second axis/Q3	The existence of an effective internal auditing apparatus that contributes to the proper application of a government accounting system within the government unit.	0.834
Second axis/Q4	The existence of a sound internal auditing apparatus that helps in enhancing the efficiency of the employees in charge of applying the government accounting system within the government unit.	0.808
Second axis/Q5	The existence of a sound atmosphere between the departments of the government units subject to auditing and the internal audit apparatus therein.	0.815
Second axis/Q6	The internal auditing apparatus has a variety of means to encourage government unit employees to implement a sound government accounting system that is free from manipulation and errors.	0.803
Second axis/Q7	Existence of close cooperation between the internal audit apparatus and the departments of government units, which enhances the efficiency of the outputs of the government accounting system.	0.818
Third axis/Q1	Providing a sound internal control system in government units leads to a sound government accounting system free from errors, fraud and manipulation.	0.809
Third axis/Q2	The application of an internal control system in government units in accordance with local auditing standards leads to raising the efficiency of the outputs of the government accounting system.	0.814
Third axis/Q3	Holding workshops and training courses for government unit employees in accordance with local auditing standards that contribute to developing and improving the level of the government accounting system.	0.813
Third axis/Q4	The internal control system is affected by the laws and legislation in force from the higher authorities, which reflects its impact on the government accounting system applied in government units.	0.819
Third axis/Q5	Enabling the internal control agencies to obtain all the necessary financial data for all operations when performing their tasks, which are provided by the government accounting system.	0.807
Third axis/Q6	The internal control system contributes to assessing the size of future risks facing the government accounting system, which is applied in government units.	0.811
Third axis/Q7	The internal control system is an integral part of the government accounting system.	0.813

Source: prepared by the researcher based on the statistical analysis program (SPSS).

The value of alpha ranged between (0.802) and (0.834), which are high values that are highly acceptable, as the extracted values confirmed that it is not necessary to exclude any question due to the strength and stability of the questions. From the foregoing, it becomes clear to us the strength of the stability and sincerity of the questionnaire.

**Interpretation of the results:**

The results obtained from the analysis of the (SPSS) program confirmed that all the axes of the study were highly effective, as well as the presence of a high Cronbach's Alpha value, which is highly significant. We will interpret all the questions of the questionnaire as follows:

**The first axis (internal audit and internal control system):**

The first axis included seven questions related to (internal audit and internal control system), where I will write the verified paragraphs according to the strength of the affirmative answer, so the order was as follows:

- 1- **The fifth question:** The efficiency of the performance of the internal audit staff is directly related to the level of strength of the internal control system.
- 2- **The sixth question:** The internal audit agencies are concerned with examining and evaluating the internal control system in government units.
- 3- **The seventh question:** The presence of a clear plan for the internal control system regarding control and audit procedures and policies for the activity of the government unit enhances the strength of the internal audit apparatus.
- 4- **The fourth question:** The internal control system applied in accordance with local auditing standards contributes to supporting the opinion of the employees of the internal auditing agencies, which reflects its impact on raising the level of confidence in financial reports among users of financial reports.
- 5- **The first question:** The existence of a unified and consistent supervisory framework for the internal control system that contributes to strengthening the audit functions of the internal auditing agencies in government units, taking into account the privacy of each unit.
- 6- **The second question:** The internal control system contributes to providing appropriate training and qualification programs for internal auditors in government units.
- 7- **The third question:** The procedures and policies of the internal control system enhance the academic qualification obtained by the auditors of the internal audit agencies during the years of study.

**Table (5) shows the answers to the first axis (internal audit and internal control system) and the response rate according to the order of the questionnaire:**

Axis	Questions	Answer the questionnaire questions					Answering Percentage the questionnaire according to the questions				
		Strongly agree	Agree	Neutral	disagree	Strongly disagree	Strongly agree	Agree	Neutral	disagree	Strongly disagree
First axis	M1 Q1	6	15	11	2	0	0.18	0.44	0.32	0.06	0.00
	M1 Q2	3	13	14	2	2	0.09	0.38	0.41	0.06	0.06
	M1 Q3	5	7	10	12	0	0.15	0.21	0.29	0.35	0.00
	M1 Q4	4	18	10	1	1	0.12	0.53	0.29	0.03	0.03
	M1 Q5	11	21	2	0	0	0.32	0.62	0.06	0.00	0.00
	M1 Q6	8	24	1	1	0	0.24	0.71	0.03	0.03	0.00
	M1 Q7	7	22	4	1	0	0.21	0.65	0.12	0.03	0.00
Total		44	120	52	19	3	0.18	0.50	0.22	0.08	0.01

Source: prepared by the researcher based on the statistical analysis program (SPSS).

**The second axis (internal audit and the government accounting system):**

The second axis contained seven questions related to (internal audit and the government accounting system), where I will write the verified paragraphs according to the strength of the affirmative answer, so the order was as follows:

- 1- The second question:** The internal audit apparatus contributes to evaluating the outputs of the government accounting system applied in government units, which reflects its impact on the use of financial reports.
- 2- The fifth question:** the existence of a sound atmosphere between the departments of government units subject to auditing and the internal auditing apparatus therein.
- 3- The third question:** The existence of an effective internal auditing apparatus that contributes to the proper application of a government accounting system within the government unit.
- 4- The seventh question:** There is close cooperation between the internal audit apparatus and the departments of government units, which enhances the efficiency of the outputs of the government accounting system.
- 5- The fourth question:** The presence of a sound internal auditing apparatus that helps in enhancing the efficiency of the employees in charge of applying the government accounting system within the government unit.
- 6- The sixth question:** The internal auditing apparatus has a variety of means to encourage government unit employees to implement a sound government accounting system free from manipulation and errors.
- 7- The first question:** The government accounting system applied in government units is subject to the procedures and policies of the internal audit apparatus, characterized by the application of local auditing standards.

**Table (6) shows the answers to the second axis (internal audit and the government accounting system) and the response rate according to the order of the questionnaire:**

Axis	Questions	Answer the questionnaire questions					Answering Percentage the questionnaire according to the questions				
		Strongly agree	Agree	Neutral	disagree	Strongly disagree	Strongly agree	Agree	Neutral	disagree	Strongly disagree
Second axis	M1 Q1	2	8	13	6	5	0.06	0.24	0.38	0.18	0.15
	M1 Q2	6	15	10	3	0	0.18	0.44	0.29	0.09	0.00
	M1 Q3	8	12	13	1	0	0.24	0.35	0.38	0.03	0.00
	M1 Q4	3	11	10	9	1	0.09	0.32	0.29	0.26	0.03
	M1 Q5	1	20	6	4	3	0.03	0.59	0.18	0.12	0.09
	M1 Q6	2	9	10	10	3	0.06	0.26	0.29	0.29	0.09
	M1 Q7	4	11	15	2	2	0.12	0.32	0.44	0.06	0.06
Total		26	86	77	35	14	0.11	0.36	0.32	0.15	0.06

Source: prepared by the researcher based on the statistical analysis program (SPSS).

### **The third axis (internal control system and government accounting system)**

The third axis contained seven questions related to (the internal control system and the government accounting system), where I will write the verified paragraphs according to the strength of the affirmative answer, so the order was as follows:

- 1- The seventh question:** The internal control system is an integral part of the government accounting system.
- 2- The fourth question:** The internal control system is affected by the laws and legislation in force from the higher authorities, which reflects its impact on the government accounting system applied in government units.
- 3- The fifth question:** Enabling the internal control agencies to obtain all the necessary financial data for all operations when performing their duties, which are provided by the government accounting system.
- 4- The sixth question:** The internal control system contributes to assessing the size of future risks facing the government accounting system, which is applied in government units.
- 5- The first question:** Providing a sound internal control system in government units leads to a sound government accounting system free from errors, fraud and manipulation.
- 6- The second question:** The application of an internal control system in government units in accordance with local auditing standards leads to raising the efficiency of the outputs of the government accounting system.
- 7- Finally, the third question:** Holding workshops and training courses for government unit employees in accordance with local auditing standards contributes to the development and improvement of the government accounting system.

**Table (4) explains the answers to the third axis (the internal control system and the government accounting system) and the response rate according to the order of the questionnaire:**

Axis	Questions	Answer the questionnaire questions					Answering Percentage the questionnaire according to the questions				
		Strongly agree	Agree	Neutral	disagree	Strongly disagree	Strongly agree	Agree	Neutral	disagree	Strongly disagree
Third axis	M1 Q1	10	16	5	3	0	0.29	0.47	0.15	0.09	0.00
	M1 Q2	2	24	6	2	0	0.06	0.71	0.18	0.06	0.00
	M1 Q3	17	8	7	2	0	0.50	0.24	0.21	0.06	0.00
	M1 Q4	14	17	3	0	0	0.41	0.50	0.09	0.00	0.00
	M1 Q5	20	10	4	0	0	0.59	0.29	0.12	0.00	0.00
	M1 Q6	12	16	5	1	0	0.35	0.47	0.15	0.03	0.00
	M1 Q7	16	16	2	0	0	0.47	0.47	0.06	0.00	0.00
Total		91	107	32	8	0	0.38	0.45	0.13	0.03	0.00

Source: prepared by the researcher based on the statistical analysis program (SPSS).

**Table (7): shows the average responses to questions for all axes:**

Questions	Answer the questionnaire questions					Answering Percentage the questionnaire according to the questions				
	Strongly agree	Agree	Neutral	disagree	Strongly disagree	Strongly agree	Agree	Neutral	disagree	Strongly disagree
First axis	44	120	52	19	3	0.18	0.50	0.22	0.08	0.01
Second axis	26	86	77	35	14	0.11	0.36	0.32	0.15	0.06
Third axis	91	107	32	8	0	0.38	0.45	0.13	0.03	0.00

Source: prepared by the researcher based on the statistical analysis program (SPSS).

**Correlation:**

Based on what the results showed in the following table No. (8) related to the statement of correlations, it is clear that the type of correlation is positive between the first axis, which is (internal audit and internal control system) and the third axis (internal control system and government accounting system), as its value reached (0.49) at a significant level (Sig = 0.003), while the type of correlation between the third axis (the internal control system and the government accounting system) and the second axis (internal auditing and the government accounting system) was a weak direct correlation, as the value of the relationship reached (0.204) at the level of significance (0.246), which is a non-significant value . There is also a non-significant value between the first axis (internal audit and internal control system) and the second axis (internal audit and government accounting system), as the correlation value was (0.146) at the same level of significance (0.409).

**Table (8) shows the correlations between the study axes:**

Correlations				
		First axis	Second axis	Third axis
First axis	Pearson Correlation	1	0.146	0.490**
	Sig. (2-tailed)		0.409	0.003
	N	34	34	34
Second axis	Pearson Correlation	0.146	1	0.204
	Sig. (2-tailed)	0.409		0.246

	N	34	34	34
Third axis	Pearson Correlation	0.490**	0.204	1
	Sig. (2-tailed)	0.003	0.246	
	N	34	34	34
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: prepared by the researcher based on the statistical program (SPSS).

**Regression:**

Based on what the results of the following table No. (9) showed, the main hypothesis will be tested, which states (there is no statistically significant effect of the role of internal auditing agencies in improving the efficiency of the outputs of the government accounting system).

**H0:** There is no statistically significant effect of the internal auditing apparatus, which is based on an effective internal control system, in improving the efficiency of the outputs of the government accounting system.

**Ha:** There is a statistically significant effect of the internal audit apparatus based on the effective internal control system in improving the efficiency of the outputs of the government accounting system.

In order to verify the validity of the main hypothesis and reach the results, linear regression analysis was applied, and Table No. (9) shows the results of this test.

**Table (9) Testing the main research hypothesis:**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.580	.438		1.324	.195
	First axis	.438	.146	.470	3.007	.005
	Second axis	.105	.121	.136	.867	.393

a. Dependent Variable: Third axis

Source: prepared by the researcher based on the statistical program (SPSS).

According to what was shown by the results of Table No. (9) related to testing the main research hypothesis, the alternative hypothesis will be accepted, which states (there is a statistically significant effect of the internal audit apparatus based on the effective internal control system in improving the efficiency of the outputs of the government accounting system.) and rejecting the null hypothesis, which It states (there is no statistically significant effect of the internal audit apparatus, which is based on the effective internal control system, in improving the efficiency of the outputs of the government accounting system.) This is because the value of (sig = 0.005), which is less than the moral value specified by the researcher, which is (0.05), and this in turn indicates The internal audit based on the effective internal control system has a direct impact on raising the level of efficiency of the outputs of the government accounting system.

**Table (10) shows the analysis of variance:**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.584	2	1.292	5.396	.010 <sup>b</sup>
	Residual	7.423	31	.239		
	Total	10.007	33			
a. Dependent Variable: Third axis						
b. Predictors: (Constant), First axis, Second axis						

Source: prepared by the researcher based on the statistical program (SPSS).

As for the analysis of variance table, it shows the significant (F) value, as its calculated value was (5.396) at a significant level (sig = 0.01), which is an acceptable level with a large percentage.

## THE FIFTH TOPIC: CONCLUSIONS AND RECOMMENDATIONS

### Conclusions:

- 1- There is a strong correlation between the internal audit variable and the internal control system variable, which are considered two main pillars in ensuring the degree of impartiality and independence of implementing procedures and policies entrusted to employees of government units.
- 2- The absence of application of local and international internal auditing standards and the weakness of tight internal control systems in the centrally funded government units, which contributes to the poor efficiency of the outputs of auditing agencies and the weakness of the internal control system, which in turn will be reflected in the weakness of the outputs of the government accounting system.
- 3- The weakness of the departments of the internal auditing agencies and their employees in most government units applying the government accounting system, in addition to the failure to select competencies from those with experience and certification, which is reflected negatively on the performance of these weak departments.

### Recommendations:

- 1- The need to implement local and international internal audit standards in decentralized government units and apply the latest frameworks of the internal control system in order to raise the efficiency of the internal audit agencies and develop their human cadres because internal audit is an important part of the internal control system, which contributes positively to raising the efficiency of control work In these units and the accounting system in them.
- 2- The need to involve the staff of the internal auditing body in the relevant advanced local and international training and qualification courses in the field of local and international internal auditing standards.
- 3- The need to ensure the independence of the internal auditing apparatus and its staff for the purpose of contributing to increasing the efficiency of the outputs of the government accounting system.
- 4- The need for each internal auditor to submit a periodic report indicating the extent to which the employees of the General Directorate are committed to the provisions of laws and legislation issued by the higher authorities.

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