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The Role of Governance Mechanisms in Enhancing Internal Audit: A Field Study in the Municipalities of Salah al-Din Province, Iraq

By

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ABSTRACT:

The aim of this study is to identify the role played by the application of the principles of governance in enhancing internal auditing. The field study was conducted on a sample of municipalities in Salah al-Din Governorate, the total number of which is seventeen municipalities.

We have divided the research into five chapters, and the research followed the descriptive approach, and the questionnaire tool was relied upon to collect the required data in the field study. Among the most important results reached are:

- There is a relationship between the principle of participation in good governance and the promotion of internal audit work, because the level of statistical significance is equal to 0.000, which is less than 0.05.
- There is a relationship between the application of the evaluation principle and the enhancement of internal auditing, because the level of statistical significance is equal to 0.000, which is less than 0.05.
- There is a relationship between applying the principle of accountability and enhancing the work of the internal audit, because the level of statistical significance is equal to 0.000, which is less than 0.05.
- There is a relationship between the principle of effectiveness and enhancing the work of the internal audit, because the level of statistical significance is equal to 0.000, which is less than 0.05.
- There is a relationship between applying the principle of transparency and enhancing the work of the review, because the level of statistical significance is equal to 0.000, which is less than 0.05.
- There is a relationship between applying the principle of effectiveness and enhancing the work of the review, because the level of statistical significance is equal to 0.000, which is less than 0.05.

The research included the following key words: principles of governance, internal auditing, and the municipal sector.



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Introduction

The professional sphere has witnessed economic events characterized by the collapse of many major businesses worldwide, such as Enron, Worldcom, and others. This collapse resulted in significant losses borne by shareholders and other stakeholders associated with these businesses, leading to a loss of confidence in financial reports and statements. This lack of trust extended to global financial markets, where investments declined, and the economies of both advanced and developing countries were shaken. This can be attributed to the weak corporate governance of companies that employ their assets for self-serving purposes at the expense of shareholders and employees. Consequently, there has been an increased focus on corporate governance to ensure the integrity of financial reports, prevent fraud and misconduct, through the issuance of principles and regulations by various countries and organizations, such as the OECD Principles of Corporate Governance and the Sarbanes-Oxley Act in the United States. The Sarbanes-Oxley Act emphasized the need to increase supervisory activities within publicly traded companies, requiring management to issue reports on the effectiveness of internal audit systems on financial reporting, and external auditors to examine these reports and provide independent opinions on them.

Despite the expansion of internal audit activities and the development of professional standards, many businesses have faced financial failures. In the aftermath of these collapses, there has been increased attention to risk management, considered one of the fundamental pillars of corporate governance. Understanding, assessing, and managing risks are key factors in the success and continuity of economic entities, as the failure of most companies can be attributed to the board's lack of understanding of the inherent risks in the company's activities. Consequently, The Institute of Internal Auditors in the United States developed standards and ethical codes for the internal auditing profession to address new environmental variables, with a focus on corporate governance. The Institute also amended the standards for the professional practice of internal auditing in 2004, emphasizing the need for internal auditors to make necessary recommendations to support governance.

The effectiveness of governance increases with the effectiveness of internal audit, as evidenced by its role in internal control, risk management, and corporate governance. Corporate governance leads to the increased effectiveness of internal audit function through the roles of each governance party towards internal audit function and through the rules, standards, and principles of corporate governance.

In light of these facts, the conceptual and philosophical framework of this study addresses contemporary issues that play a significant and distinguished role in the sustainability of businesses in industrial organizations in general, and in the Northern Cement Company in Iraq in particular, given the challenges it faces. Given our environment's need for such research and studies, this study takes on the task of testing these variables in an important and vital sector, the industrial sector. It employs these elements in a logical and practical context to serve as a model and starting point for a field study of the opinions of employees in the municipalities of Salah al-Din Province in Iraq, which are characterized by their extensive expertise.

Problem Statement

The function of internal auditing has witnessed significant growth, and its scope of work has expanded, with senior management of various entities increasingly recognizing its importance in achieving protection, accuracy, efficiency, and commitment to maximizing the economic value of the entity. To ensure the feasibility of corporate governance for all stakeholders, internal auditing function must integrate with other parties responsible for governance (Abdallah & Valentine, 2009: 87). For internal auditing to play this pivotal role, it should possess certain characteristics or factors that lead to improving its quality and, consequently, improving the quality of its relationships with other parties, thus reflecting on enhancing the quality of corporate governance (Ismael & Kamel, 2021: 952).

It is observed that the procedures related to internal auditing operations in the municipalities of Salah al-Din Province in Iraq are complex, involving overlapping authorities and responsibilities, in addition to the ambiguity in providing information and the difficulty of understanding, all of which are obstacles to auditors and decision-makers in those entities. These obstacles can be mitigated through the adoption of governance mechanisms.

Therefore, the descriptive problem lies in studying the reality of the main study variables and their sub-dimensions in the field under study to identify the level of efficiency and to clarify the nature of the relationship between them, which is a step towards solving many shortcomings in all dimensions to enhance internal auditing to the highest level. Based on the foregoing, the problem of the study is to identify the role of governance mechanisms in enhancing internal auditing. Therefore, posing the following questions can help clarify the content of the study problem:

- To what extent are the dimensions of governance mechanisms available in the researched field?
- To what extent are the dimensions of internal auditing available in the researched field?
- Is there a statistically significant relationship between governance mechanisms and internal auditing in the researched field?
- Is there a statistically significant impact of governance mechanisms on enhancing internal auditing in the researched field?

Significance of the Study

This study gains its significance from the importance of the variables under investigation (governance mechanisms, internal auditing), the addressed topic, and the selected study location (municipalities of Salah al-Din Province). Through presenting the theoretical frameworks of the study variables, the study contributes to academia and practical fields:

Scientific Significance

- The study focuses on important variables, namely governance mechanisms and internal auditing, which are modern variables in contemporary accounting literature. Studying them contributes to providing contemporary perspectives on these variables to academic researchers.
- The study aims to elucidate the conceptual frameworks of the study variables (governance mechanisms, internal auditing), including their concepts, significance, objectives, and dimensions.

Practical Significance

- Given the importance of the researched sector in Iraq, especially the municipal sector, the study is vital for providing contemporary concepts in managerial accounting and auditing to confront various changes and developments, aiming to enhance knowledge in the field.
- The study's descriptive and analytical nature, based on surveying the opinions of workers in the industrial sector, fills a gap in providing information about capabilities that can be utilized to serve the future direction of various activities, especially in the Iraqi environment.
- The study provides a practical framework for outlining a contemporary decision-making model, which could be a pioneering attempt for senior management members in the municipalities of Salah al-Din Province to make decisions aligned with the challenges they face in the Iraqi environment regarding adaptation and agility.
- Diagnosing and testing the reality of the main and subsidiary study variables through presenting the trends of responses from the surveyed individuals in the municipalities of Salah al-Din Province in Iraq.
- Assisting the researched entities (municipalities of Salah al-Din Province in Iraq) in applying the practical framework of the current study variables (governance mechanisms, internal auditing) to determine their level of inclination to apply these dimensions and then analyzing the field reality to reach related results for enhancing their orientation.
- Enhancing the awareness of the studied entities (municipalities of Salah al-Din Province in Iraq) towards the general content of the assumptions from which the study originated, and presenting this relationship with a hypothetical model aiming for field application to reach the hypothesis testing results.

Study Objectives

By examining the problem and significance of the study, the primary objective of the study can be stated as identifying the role of governance mechanisms in enhancing internal auditing in the municipalities of Salah al-Din Province in Iraq. Additionally, the study has the following specific objectives:

- To determine the availability of dimensions of governance mechanisms in the researched field.
- To ascertain the availability of dimensions of internal auditing in the researched field.
- To test the correlation between governance mechanisms and their dimensions (effective corporate governance framework, shareholder rights assurance, equal treatment of shareholders, board responsibility, disclosure and transparency, stakeholders' role) and internal auditing in the researched field.
- To analyze the impact relationship of governance mechanisms and their dimensions (effective corporate governance framework, shareholder rights assurance, equal treatment of shareholders, board responsibility, disclosure and transparency, stakeholders' role) in enhancing internal auditing in the researched field.
- To provide a set of conclusions and recommendations that may benefit the efforts of the researched entities (municipalities of Salah al-Din Province in Iraq) in evaluating and improving their current work.

Study Model

To achieve methodological treatment of the study, the researcher constructed a hypothetical diagram illustrating the logical relationships between the study variables and their impact on the field under

investigation (municipalities of Salah al-Din Province in Iraq). The hypothetical research diagram can be represented as follows:

- **Independent Variable:** Governance mechanisms, including the following dimensions: (Effective corporate governance framework, shareholder rights assurance, equal treatment of shareholders, board responsibility, disclosure and transparency, stakeholders' role).
- **Dependent Variable:** Internal auditing, including the following dimensions: (Regulatory environment, risk assessment, control activities, information communication).

This study model aims to provide a structured framework for analyzing the relationship between governance mechanisms and internal auditing in the context of the municipalities of Salah al-Din Province in Iraq.

Study Hypotheses

The study is based on the hypothesis that there is a statistically significant relationship between the application of principles of governance according to the Organization for Economic Cooperation and Development (OECD) represented by the following dimensions (participation, evaluation, accountability, effectiveness, transparency, fairness, and equality) and the quality of internal auditing. From this primary hypothesis, the following sub-hypotheses can be derived:

- There is a statistically significant relationship between the application of the principle of participation in good governance and enhancing the work of internal auditing.
- There is a statistically significant relationship between the application of the principle of evaluation in good governance and enhancing the work of internal auditing.
- There is a statistically significant relationship between the application of the principle of accountability in good governance and enhancing the work of internal auditing.
- There is a statistically significant relationship between the application of the principle of effectiveness in good governance and enhancing the work of internal auditing.
- There is a statistically significant relationship between the application of the principle of transparency in good governance and enhancing the work of internal auditing.
- There is a statistically significant relationship between the application of the principle of fairness and equality in good governance and enhancing the work of internal auditing.

Study Methodology

The researcher will primarily rely on a descriptive and analytical study methodology to present theoretical frameworks and analysis by surveying the responses of individuals working in the municipalities of Salah al-Din Province in Iraq. The aim is to comprehensively understand and analyze all aspects of the problem, its dimensions, variables, and relationships without merely settling for superficial knowledge or description.

Study Limitations

The study includes the following limitations:

- **Objective Limitations:** Objective limitations include the variables (governance mechanisms) as an independent variable and (internal auditing) as a dependent variable.
- **Spatial Limitations:** The spatial boundaries of the study are confined to the municipalities of Salah al-Din Province in Iraq as the field of study.

- Human Limitations: The study was applied to a group of workers in the municipalities of Salah al-Din Province in Iraq.
- Temporal Limitations: The temporal boundaries of the study are represented by the duration set for the preparation of the master's thesis.

Test of Validity and Reliability

"For the questionnaire's validity, and before distributing it to the groups participating in the survey study, we consulted with four experts from the Faculty of Economics and Business Administration at the Islamic University in Lebanon. We then distributed the questionnaire to a number of employees, and subsequently redistributed it after a period to the same sample. The results showed us that the employees' responses were consistent and unchanged, indicating the apparent validity of the questionnaire due to the stability of the results. Additionally, we conducted a Cronbach's alpha reliability test for this survey study, and the results were as follows: From Table 1, we notice that the result related to the questionnaire directed to the employees was as follows:

Table 1: Cronbach's Alpha Result for the Employee-related Survey Study"

Cronbach'sAlpha	Numbers
0.71	40

The previous table indicates that the number of items in the questionnaire for this study is 40 items, which were presented to the participants through several interviews to achieve the desired objective. The Cronbach's alpha coefficient was found to be 0.71, indicating the reliability of the questionnaire and the stability of its items. After ensuring the apparent validity of the questionnaire and considering the feedback from the experts in the Faculty of Business Administration, as well as the feedback received from the group that participated in the survey study.

Distribution of the research instrument (questionnaire):

The questionnaire was distributed according to Figure 1 as follows:

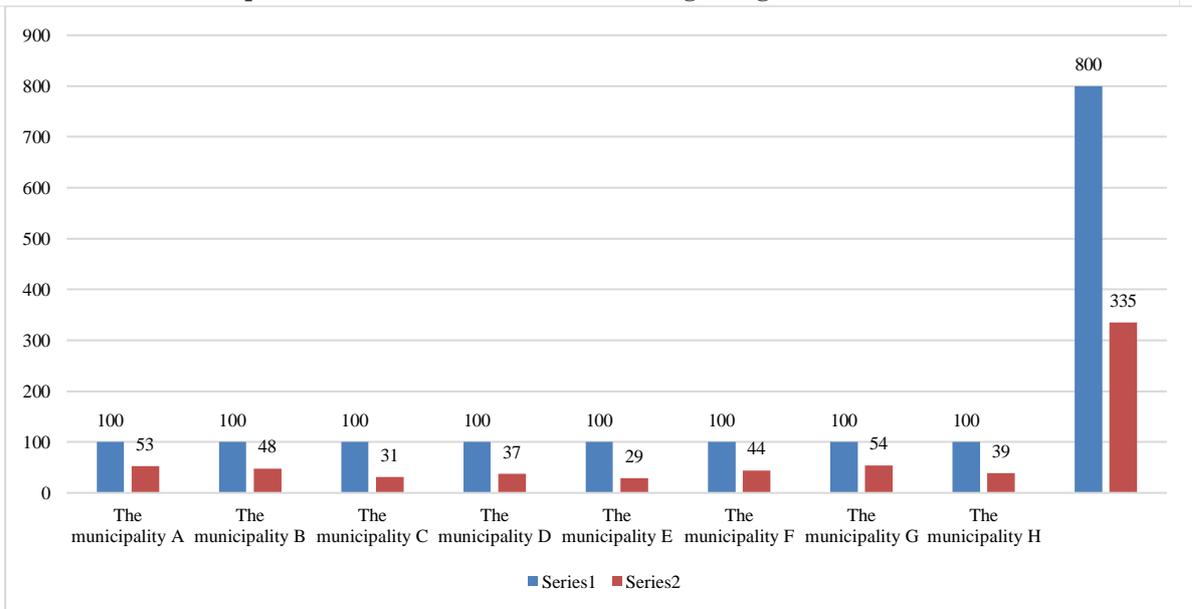


Figure 1: Distribution of the questionnaire among a sample of municipalities within the Salah al-Din Governorate in Iraq.

Through the above chart, the number of questionnaires distributed to municipalities was 600. However, only 335 questionnaires were deemed valid for statistical analysis due to incomplete responses to the remaining questionnaire items, non-responses, or random responses. Thus, the response rate constitutes 55.83% of the total questionnaires sent to them via their email. It is noted that the questionnaire axes were formulated with clear phrases and vocabulary to cover all areas related to the principles of good governance.

- First Axis: Principle of Fairness and Justice. In this axis, we will study the relationship between practicing the principles of governance and their role in enhancing internal auditing.

Table 2: Distribution of phrases of the first axis according to frequencies and percentages.

Phrase modifier	the total	Strongly Agree	OK	neutral	not agree	Strongly Disagree	Expressions of the first axis		#
							Repetition		
84.2%	335	55	49	11	9	0	Repetition	Municipalities implement applicable laws and regulations fully and accurately in order to enhance internal reviews.	1
	100%	44%	40%	9%	7%	0%	The ratio		
80.6%	335	43	43	14	18	4	Repetition	The employee can claim his rights at any time because he is supported by fair systems and laws, and this enhances his self-confidence.	2
	100%	35%	35%	11%	14%	3%	The ratio		
86.4%	335	51	33	19	21	0%	Repetition	Regulations and instructions are applied to all citizens without discrimination, which in turn enhances internal reviews.	3
	100%	41%	27%	15%	17%	0	The ratio		
	335	48	45	15	9	7	Repetition	The integrity and moral values are ensured by the supervisory and executive authorities to carry out their duties objectively.	4
	100%	39%	36%	12%	7%	6%	The ratio		
88%	335	53	49	19	3	0	Repetition	Jobs in the municipal sector are subject to the standard of efficiency, fairness, and justice, and not to a specific sectarian standard.	5
	100%	43%	40%	15%	2%	0%	The ratio		
84.3%	335	68	39	11	6	0	Repetition	Employees are appointed to vacant administrative positions in the first and second categories according to the principle of the competent and appropriate person in the appropriate place.	6
	100%	55%	9%	9%	43%	0%	The ratio		
82%	2010	318	258	89	77	11	Repetition	The sum of the first axis	
	100%	43%	35%	12%	2%	1.4%	The ratio		

The results provided in the tables above indicate the following:

The result of the first axis is as follows: 43% strongly agree, 35% agree, 12% neutral, 2% disagree, and 1.4% strongly disagree, with an overall average of 82% for all axis questions.

Phrase number (5) "Functions in the municipal sector are subject to the standards of efficiency, fairness, and justice, not to a specific sectarian standard" ranked first, with an average score of 4.52 and a percentage of 88%.

Phrase number (2) "An employee can demand his rights at any time because he is supported by fair systems and laws, which enhances his self-confidence" ranked last, with an average score of 3.51 and a percentage of 80.6%.

Table 3: Mean, standard deviation, and direction of phrases in the first axis.

Answer score	standard deviation Std. Deviation	SMA Mean	Expressions of the first axis	#
OK Hardly	1.24	3.37	Municipalities implement applicable laws and regulations fully and accurately in order to enhance internal reviews.	1
OK	1.11	3.51	The employee can claim his rights at any time because he is supported by fair systems and laws, and this enhances his self-confidence.	2
OK	1.11	3.41	Regulations and instructions are applied to all citizens without discrimination, which in turn enhances internal reviews.	3
OK	1.12	3.42	The integrity and moral values are ensured by the supervisory and executive authorities to carry out their duties objectively.	4
Strongly Agree	1.15	4.52	Jobs in the municipal sector are subject to the standard of efficiency, fairness, and justice, and not to a specific sectarian standard.	5
Strongly Agree	1.02	4.5	Employees are appointed to vacant administrative positions in the first and second categories according to the principle of the competent and appropriate person in the appropriate place.	6
0.56	3.42	4.19	The sum of the first axis	

In the previous table, it is shown that the overall average mean value for this axis is 3.42. This indicates that the application of the principle of fairness and justice has contributed, on average, to enhancing internal auditing.

Second Axis: Principle of Transparency. This axis aims to study the relationship between the application of the principle of transparency in the work of municipalities and the enhancement of internal auditing. Table 18 illustrates the results of the second axis as follows:

Table 4: Distribution of phrases of the second axis according to frequencies and percentages.

Phrase modifier	the total	Strongly Agree	OK	neutral	not agree	Strongly Disagree	The phrases of the second axis		#
83.2%	335	47	33	14	28	2	Repetition	The laws, regulations, instructions, procedures, work methods and responsibilities in the municipal sector are clear.	1
	100%	38%	27%	11%	23%	1.6%	The ratio		
82.6%	335	64	31	9	12	8	Repetition	Administrative decisions and procedures are taken in accordance with applicable legislation so that they meet the expectations of relevant parties for transparency, integrity and accountability.	2
	100%	52%	25%	7%	10%	6%	The ratio		
88.2%	335	56	48	8	12	0	Repetition	Problems in the municipal sector are solved transparently.	3
	100%	45%	39%	6%	10%	0%	The ratio		
84.4%	335	60	45	14	5	0	Repetition	The draft budget is prepared on the basis of precise objective studies that reflect the necessary needs of institutions.	4
	100%	48%	36%	11%	4%	0%	The ratio		
80.7%	335	55	36	16	14	3	Repetition	Preparing the general budget is consistent with the government's goals of reducing public debt, stimulating economic growth, and combating poverty.	5
	100%	44%	29%	13%	11%	2%	The ratio		
87.6%	335	58	42	15	9	0	Repetition	The austerity policy is adopted in estimating expenditure allocations and limiting them to what is necessary and productive.	6
	100%	47%	43%	12%	7%	0%	The ratio		
85.2%	2010	349	235	76	80	11	Repetition	The sum of the second axis	
	100%	47%	32%	10%	11%	1.4%	The ratio		

The results provided in the tables above indicate the following:

The result of the second axis is as follows: 47% strongly agree, 32% agree, 10% neutral, 11% disagree, and 1.4% strongly disagree, with an overall average of 85.2% for all axis questions. Phrase number (4) "The budget project is prepared based on accurate objective studies that reflect the necessary needs of the institutions" ranked first, with an average score of 4.54 and a percentage of 84.4%.

Phrase number (2) "Decisions and administrative procedures are made according to prevailing legislation to meet the expectations of stakeholders in terms of transparency, integrity, and accountability" ranked last, with an average score of 3.22 and a percentage of 80.6%.

Table 5: Mean, standard deviation, and direction of phrases in the second axis.

Answer score	standard deviation Std. Deviation	SMA Mean	The phrases of the second axis	#
OK	1.12	3.83	The laws, regulations, instructions, procedures, work methods and responsibilities in the municipal sector are clear.	1
OK	1.02	3.22	Administrative decisions and procedures are taken in accordance with applicable legislation so that they meet the expectations of relevant parties for transparency, integrity and accountability.	2
OK	1.13	3.26	Problems in the municipal sector are solved transparently.	3
Strongly Agree	1.17	4.54	The draft budget is prepared on the basis of precise objective studies that reflect the necessary needs of institutions.	4
OK	1.10	3.32	Preparing the general budget is consistent with the government's goals of reducing public debt, stimulating economic growth, and combating poverty.	5
OK	1.01	3.45	The austerity policy is adopted in estimating expenditure allocations and limiting them to what is necessary and productive.	6
OK	1.09	3.45	The sum of the second axis	

Through the previous table, the relationship between the application of the principle of transparency and its role in enhancing internal auditing was measured. The overall average mean score was 3.45, indicating a moderate level. It is noted that the application of the principle of transparency contributed to enhancing monitoring and control processes in functional performance. It ensured the proper application of ethics laws by holding corrupt administrations accountable through clear work methods and providing understandable information to educate individuals with accurate data. Transparency also regulates the relationship between employees and management, reinforcing clarity in the work process and protecting against ambiguity and confusion in the institution's goals and directions.

Third Axis: Principle of Accountability. Through this axis, we will highlight the importance of implementing the principle of accountability in municipal work to enhance internal control. This will be done through the following table:

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Table 6: Distribution of phrases of the third axis according to frequencies and percentages.

Phrase modifier	the total	Strongly Agree	OK	neutral	not agree	Strongly Disagree	Expressions of the third axis	#
84.2%	335	63	32	11	18	0	Repetition	1
	100%	51%	26%	9%	15%	0%	The ratio	
82.7%	335	51	29	9	21	14	Repetition	2
	100%	41%	23%	7%	17%	11%	The ratio	
81.6%	335	37	42	12	18	15	Repetition	3
	100%	30%	34%	10%	15%	12%	The ratio	
80.9%	335	55	48	12	9	0	Repetition	4
	100%	44%	39%	10%	7%	%	The ratio	
88.7%	335	73	38	8	5	0	Repetition	5
	100%	59%	31%	6%	4%	0%	The ratio	
84.3%	335	61	39	15	9	0	Repetition	6
	100%	49%	31%	12%	7%	0%	The ratio	
86.2%	2010	340	228	67	80	29	Repetition	The sum of the third axis
	100%	46%	31%	9%	11%	4%	The ratio	

The results presented in the tables above indicate the following:

The results of the third axis came as follows: 46% strongly agree, 31% agree, 9% neutral, 11% disagree, and 4% strongly disagree. With an average of 85.2% for all axis questions.

Statement number (5) ranked first: "Local government regulatory systems adhere to the principle of accountability, meaning that the actions of officials and institutions are subject to the scrutiny of relevant authorities." The average score was 4.50, with a percentage of 88.7%.

Statement number (4) ranked last: "The application of laws and regulations reduces crises, problems, waste, and corruption." The average score was 3.38, with a percentage of 80.9%.

Table 7: Mean, Standard Deviation, and Direction of Statements in the Third Axis.

Answer score	standard deviation Std. Deviation	SMA Mean	Expressions of the third axis	#
OK	1.04	3.78	There are specific standards for reward and punishment.	1
OK	1.19	3.80	Penalties and judicial rulings are proportional to the extent of the violation.	2
OK	1.06	3.45	The specific mechanisms of accountability apply to everyone without discrimination or favouritism.	3
Strongly Agree	1.08	3.38	Implementing laws and regulations reduces crises, problems, waste, and corruption.	4
Strongly Agree	1.21	4.50	The systems in place in the municipal sector enjoy the principle of accountability, which means that the actions of individual rulers and institutions are subject to the oversight of the competent authorities.	5
OK	1.14	3.88	Accountability or oversight in the municipal sector is real and not subject to any kind of pressure.	6
OK	1.12	3.79	The sum of the third axis	

The overall average mean score for this axis was 3.79, indicating a moderate level. It is noted that the goal of applying this principle is to hold government employees accountable within the framework of governmental administration. Within the department or ministry, firstly, behavior is bound by rules and regulations; secondly, government employees are hierarchically supervised and accountable to their managers. However, there are independent "oversight" units to investigate departments and hold them accountable. The legality of these committees depends on their independence, as they avoid any conflicts of interest.

Fourth Axis: Principle of Participation. Through this axis, we will study the relationship between the application of the principle of participation in enhancing internal auditing. We will examine this variable in the municipalities included in the sample through the following table:

Table 8: Distribution of phrases of the fourth axis according to frequencies and percentages.

Phrase modifier	the total	Strongly Agree	OK	neutral	not agree	Strongly Disagree	Expressions of the fourth axis		#
							Repetition	The ratio	
81.2%	335	46	39	8	15	16	Repetition	There are multiple mechanisms for parties to participate in developing policies and decisions to develop the rules of good governance.	1
	100%	37%	31%	6%	12%	13%	The ratio		

84.6%	335	45	42	11	14	12	Repetition	The municipal municipality participates with specialized representatives in preparing the draft general budget for the state.	2
	100%	36%	34%	9%	11%	10%	The ratio		
85.3%	335	40	48	12	16	8	Repetition	Employees can express their opinion and participate in decision-making.	3
	100%	32%	39%	10%	13%	6%	The ratio		
83.6%	335	53	48	14	9	0	Repetition	Citizens and civil society organizations in the country participate in the governance and decision-making process.	4
	100%	43%	39%	11%	7%	0%	The ratio		
86.9%	335	64	46	9	5	0	Repetition	Contractors are involved in tenders in accordance with the Public Accounting Law and applicable laws and regulations.	5
	100%	52%	37%	7%	4%	0%	The ratio		
84.9%	335	45	59	14	6	0	Repetition	Draft budgets are reinforced with documents, statistics, clarifications, and financial information necessary for their study.	6
	100%	36%	48%	11%	5%	0%	The ratio		
85.4%	2010	293	282	68	65	36	Repetition	The sum of the fourth axis	
	100%	39%	38%	9%	8%	4%	The ratio		

The results provided in the tables above indicate the following:

- The result of the fourth axis is as follows: 39% strongly agree, 38% agree, 9% neutral, 8% disagree, and 4% strongly disagree, with an overall average of 85.4% for all axis questions.
- Phrase number (5) "Contractors are involved in tenders in accordance with the Public Accounting Law and applicable laws and regulations" ranked first, with an average score of 4.56 and a percentage of 86.9%.
- Phrase number (1) "Various mechanisms exist for stakeholders to participate in policy and decision-making to develop sound governance principles" ranked last, with an average score of 3.42 and a percentage of 81.2%.

Table 9: Mean, standard deviation, and direction of phrases in the fourth axis.

Answer score	standard deviation Std. Deviation	SMA Mean	Expressions of the fourth axis	#
OK	1.11	3.42	There are multiple mechanisms for parties to participate in developing policies and decisions to develop the rules of good governance.	1
OK	1.08	3.79	The municipal municipality participates with specialized representatives in	2

			preparing the draft general budget for the state.	
OK	1.21	3.88	Employees can express their opinion and participate in decision-making.	3
OK	1.09	3.87	Citizens and civil society organizations in the country participate in the governance and decision-making process.	4
Strongly Agree	1.14	4.56	Contractors are involved in tenders in accordance with the Public Accounting Law and applicable laws and regulations.	5
OK	1.06	3.62	Draft budgets are reinforced with documents, statistics, clarifications, and financial information necessary for their study.	6
OK	1.11	3.85	The sum of the fourth axis	

The fifth axis revolved around the role of implementing the principle of evaluation in enhancing internal auditing, with an overall average mean score of 3.85, indicating a moderate level.

Fifth Axis: Principle of Evaluation. Through this axis, we will study the relationship between the application of the principle of evaluation and its relationship with enhancing internal auditing by comparing the results obtained with the pre-planned objectives, obtaining inputs for policy analysis, and assessing the extent of compliance with allocated time, as well as the safety of various operational procedures. The table below will illustrate this relationship:

Table 9: Distribution of phrases of the fifth axis according to frequencies and percentages.

Phrase modifier	the total	Strongly Agree	OK	neutral	not agree	Strongly Disagree	Expressions of the fifth axis		#
							Repetition	The ratio	
87.2%	335	71	38	9	6	0	Repetition	All employees are aware of the roles assigned to them (responsibilities and powers).	1
	100%	57%	31%	7%	5%	0%	The ratio		
84.5%	335	67	41	11	5	0	Repetition	There is a performance evaluation system.	2
	100%	54%	33%	9%	4%	0%	The ratio		
83.7%	335	59	46	12	7	0	Repetition	There are periodic reports on employee performance.	3
	100%	48%	37%	10%	6%	0%	The ratio		
80.9%	335	59	43	8	9	5	Repetition	The results of performance	4

	100%	48%	35%	6%	7%	4%	The ratio	evaluation are studied and analyzed periodically.	
82.7%	335	68	36	12	8	0	Repetition	Employees are appointed to vacant administrative positions after evaluating their performance and productivity at work.	5
	100%	55%	29%	10%	6%	0%	The ratio		
83.6%	335	61	52	6	5	0	Repetition	Employees are promoted from one category to another after evaluating their performance and productivity at work and subjecting them to competency competitions.	6
	100%	50%	50%	5%	4%	0%	The ratio		
84.9%	2010	358	256	58	48	5	Repetition	The sum of the fifth axis	
	100%	32%	34%	7.8%	6.4%	0.6%	The ratio		

The results provided in the tables above indicate the following:

- The result of the fifth axis is as follows: 32% strongly agree, 34% agree, 7.8% neutral, 6.4% disagree, and 0.6% strongly disagree, with an overall average of 84% for all axis questions.
- Phrase number (1) "All employees understand their roles and responsibilities" ranked first, with an average score of 4.62 and a percentage of 87.2%.
- Phrase number (4) "Performance evaluation results are regularly studied and analyzed" ranked last, with an average score of 3.54 and a percentage of 80.9%.

Table 10: Mean, standard deviation, and direction of phrases in the fifth axis.

Answer score	standard deviation Std. Deviation	SMA Mean	Expressions of the fifth axis	#
Very agree	1.09	4.62	All employees are aware of the roles assigned to them (responsibilities and powers).	1
OK	1.11	3.89	There is a performance evaluation system.	2
OK	1.08	3.88	There are periodic reports on employee performance.	3
OK	1.12	3.54	The results of performance evaluation are studied and analyzed periodically.	4
OK	1.21	3.56	Employees are appointed to vacant administrative positions after evaluating	5

			their performance and productivity at work.	
OK	1.06	3.80	Employees are promoted from one category to another after evaluating their performance and productivity at work and subjecting them to competency competitions.	6
OK	1.11	3.88	The sum of the fifth axis	

The overall statistical average for this axis was 3.88 with a strong correlation.

- Sixth Axis: Principle of Effectiveness. Through this axis, we will shed light on the importance of applying the principle of effectiveness in enhancing internal auditing. Effectiveness refers to the extent to which goals are achieved and tasks are completed, regardless of cost considerations. It represents the relationship between actual outputs and expected outputs, comparing produced services and goods with previously planned levels. Effectiveness is considered a measure of the quality of the achieved service rather than the quantity of services within a certain cost. It can be defined as the ability to track goals, not just achieving them but achieving them in a way that maximizes goal satisfaction. Administrative effectiveness in contemporary management thinking is the extent to which administrative phenomena can perform the right actions and achieve the desired results within set cost limits. The following table will illustrate this relationship:

Table 11: Distribution of phrases of the sixth axis according to frequencies and percentages.

Phrase modifier	the total	Strongly Agree	OK	neutral	not agree	Strongly Disagree	Sixth axis phrases	#
88.2%	335	93	58	11	9	7	Repetition The principles of good governance are established in the steps taken in internal audits.	1
	100%	75%	47%	9%	7%	6%	The ratio	
84.6%	335	54	43	8	14	5	Repetition Principles of good governance are established to ensure proper guidance and rationalization of public funds.	2
	100%	44%	35%	6%	11%	4%	The ratio	
82.7%	335	46	58	9	11	0	Repetition Programs are managed and services and instructions are provided with high efficiency and effectiveness.	3
	100%	37%	47%	7%	9%	0%	The ratio	

82.9%	335	68	35	15	6	0	Repetition	The municipal sector employs regulations and instructions to achieve effectiveness in the public interest.	4
	100%	55%	28%	12%	5%	0%	The ratio		
84.6%	335	42	56	8	7	11	Repetition	There are strategic plans to develop the municipal sector's resources, especially financial ones.	5
	100%	34%	45%	6%	6%	9%	The ratio		
85.3%	335	75	42	4	3	0	Repetition	The volume of spending is proportional to the activities of the municipal sector.	6
	100%	60%	34%	3%	2%	0%	The ratio		
80.9%	335	74	38	6	6	0	Repetition	The municipal sector works to attract employees with distinguished competencies.	7
	100%	60%	31%	5%	5%	0%	The ratio		
81.7%	335	68	30	12	14	0	Repetition	The municipal sector seeks to develop regulations and laws according to the requirements of the times, improve its level and raise its reputation.	8
	100%	55%	24%	10%	11%	0%	The ratio		
84.2%	335	63	47	9	5	0	Repetition	Work is being done to implement governance requirements to develop the municipal sector.	9
	100%	51%	38%	7%	4%	0%	The ratio		
86.7%	335	41	28	18	22	15	Repetition	Parties and popular organizations play a positive role in implementing governance requirements.	10
	100%	33%	23%	14%	18%	12%	The ratio		
85.6%	3350	843	546	140	145	58	Repetition	The sum of the sixth axis	
	100%	49%	31%	8%	8%	3%	The ratio		

The results provided in the tables above indicate the following:

- The result of the sixth axis is as follows: 49% strongly agree, 31% agree, 8% neutral, 8% disagree, and 3% strongly disagree, with an overall average of 85.6% for all axis questions.
- Phrase number (1) "Establishing principles of good governance in the steps taken in internal audits" ranked first, with an average score of 4.58 and a percentage of 88.2%.

- Phrase number (7) "The municipality sector works on attracting competent employees" ranked last, with an average score of 3.58 and a percentage of 80.9%.

Table 13: Mean, standard deviation, and direction of phrases in the sixth axis.

Answer score	standard deviation Std. Deviation	SMA Mean	Sixth axis phrases	#
Strongly Agree	1.09	4.58	The principles of good governance are established in the steps taken in internal audits.	1
Strongly Agree	1.07	4.50	Principles of good governance are established to ensure proper guidance and rationalization of public funds.	2
Strongly Agree	1.12	4.52	Programs are managed and services and instructions are provided with high efficiency and effectiveness.	3
Strongly Agree	1.21	4.53	The municipal sector employs regulations and instructions to achieve effectiveness in the public interest.	4
OK	1.09	3.88	There are strategic plans to develop the municipal sector's resources, especially financial ones.	5
Strongly Agree	1.05	4.55	The volume of spending is proportional to the activities of the municipal sector.	6
Strongly Agree	1.02	4.05	The municipal sector works to attract employees with distinguished competencies.	7
Strongly Agree	1.14	4.06	The municipal sector seeks to develop regulations and laws according to the requirements of the times, improve its level and raise its reputation.	8
OK	1.06	3.89	Work is being done to implement governance requirements to develop the municipal sector.	9
OK	1.08	3.45	Parties and popular organizations play a positive role in implementing governance requirements.	10
Strongly Agree	1.09	4.08	The sum of the sixth axis	

Study Results: Based on the overall research findings and specifically the survey results, despite the obstacles faced by the researcher, particularly in obtaining responses from the respondents included in the sample, the following can be inferred:

- Governance experience in the public sector is weak and not effectively implemented, evidenced by administrative dysfunction and poor performance in many public administrations and institutions, along with the widespread phenomena of financial and administrative corruption, extravagance in public expenditures, lack of accountability, and as a result of adopting a sectarian political system.
- Jobs in the public sector and appointments to vacant positions are not subjected to the criteria of competency and skill.
- Public administrations and institutions do not fully and accurately apply regulations and laws, with discrimination in their application to citizens.
- Clear information about expenditures (nature and purpose) is not provided, and austerity policies are not adopted.
- Budget projects are not prepared based on accurate objective studies that align with the government's objectives of reducing public debt and stimulating economic growth.
- Tendering in the public sector is based on the principle of favoritism, with private interests prevailing over public ones.
- Penalties and judicial judgments do not correspond appropriately to the magnitude of the violation, with discrimination and favoritism in the application of accountability mechanisms.
- There are no regular reports on the performance and productivity of employees.
- The public sector does not strive to develop systems and laws according to requirements, improve its standards, and enhance its reputation as per governance requirements.
- Principles of good governance are not established to ensure proper guidance and rationalization of public funds, nor are public finances adequately prepared and executed.

Recommendations:

As for the recommendations issued by the study, the following are hoped for:

- Consolidating the concept of good governance, adopting and institutionalizing its principles, concepts, and objectives within the administration, the nation, and among citizens, without excluding any (accountability, transparency, participation, justice and equality, evaluation, efficiency).
- Working to implement the principles of good governance in the public sector, which has become important and necessary for economic development, and anchoring them to reform expenditure policies to ensure the efficiency and effectiveness of expenditure.
- Establishing joint committees with relevant ministries responsible for providing consumable materials and supplies to the public sector, with representatives from public administrations and institutions, tasked with providing information on requirements for conducting unified tenders to obtain the best prices and estimate budgets accordingly.
- Limiting financial deviations and addressing financial imbalances to ensure financial stability by working to reduce deficits and public debt as a percentage of GDP, ultimately improving financial indicators and addressing accumulated issues through a series of comprehensive reforms covering all aspects, and dealing with any new emergencies in the most effective and possible ways to minimize their negative impact.
- Requesting public administrations and institutions to undertake reform steps to contribute to reducing their expenditures or increasing their efficiency by strictly limiting the required

allocations to the narrow and necessary scope for smooth operations, controlling and rationalizing spending, clearly prioritizing needs, and seeking to reduce allocations for consumable items such as stationery, fuel, communications, etc., following a review of actual annual needs, detailing how these items are calculated (unit price, average cost per person), and attaching justifying documentary evidence for the required allocations with a detailed inventory showing the supplies and other materials and equipment available to the administrations in all their forms.

- Building public confidence in the public sector and establishing a relationship between the state and citizens based on transparency, participation, and integrity, thus achieving the satisfaction of citizens benefiting from services and involving members of the community in decision-making processes, oversight, and accountability.

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