

## THE EFFECTIVENESS OF INTERNAL AUDIT IN ENHANCING CORPORATE GOVERNANCE IN IRAQ

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ABSTRACT	KEYWORDS
I aimed this is the study to me Determine nature Censorship internal and governance companies From destination consideration Academy And its importance for owners interest.and study nature Relationship between audit external and reinforcement Exercise governance companies and specify Bezel effectiveness audit procedure in Strengthen governance companies in Iraq. used the study curriculum descriptive Analytical.And I concluded the study to me Presence Effect The indication Statistic to effect audit procedure From Before auditors internals on me Investigation governance companies in comp manufacturing the public in Iraq.From hand other , ranges average Arithmetic To measure Effect proces audit procedure on me governance in companies that included the study , Which comp Produce General in Iraq , From2.25to me1.47, and volume the influence From0.699to me0.916, Which.Average to me big , Than Indicates to me direction Imagine the sample Toward Investigation Dimensions audit procedure which Include:(planning , time and scope Review , statement Risks Finance , scale down Cost proces Review)to effect internal.audit in Management companies that included the study.and this is indicative on me effectiveness audit procedure in the influence on me Administration in comp manufacturing the public Iraqi , With what goes along with Imagine a sample search.	The effectiveness, Internal audit, enhancing corporate, governance in Iraq, corporate sector.

### Introduction:

governance companies she the system that Complete From through it Guidance companies and monitor it , And be boards Administration responsible About governance its companies.is represented Role contributors in governance in Designation managers and reviewers and persuade themselves By the presence of structure governance Appropriate .Include Responsibilities board Administration Determine Objectives The strategy for the company , and saving Leadership to put it position implementation , and supervision on me Management Business , and raise reports to me contributors

about their supervision. submit Procedures board Administration for the laws and systems And for the shareholders in the meeting general to check procedure. audit procedure he is Activity Advisor independent And objective Aim to to me addition Values and improve operations Enterprise. as such it's a helps Enterprise on me Investigation its goals From During to provide approach Organizer and disciplined to evaluate and improve effectiveness operations Management Risks and censorship and governance. I became governance topic prominent in the time Last , especially distance the crisis Finance Globalism For the year 2008, which contributed in weakness systems governance companies and censorship , And it is increasing evidence on me role decisive that you play in Determine Welfare the society.

## The Study Problem

Recent financial scandals have shown that the risks of accounting fraud can be opaque in any type of economic system. And the In this context, information transparency is an indispensable component of market competitiveness. And the Effective operation of corporate governance systems, especially control systems. And the All of these must be appropriate in legislation in terms of external information.<sup>1</sup>.

This study seeks to me Employing internal auditing as one of the corporate governance mechanisms Spread Financial and administrative corruption at the company level, and then Access to reliable and credible financial information, which serves as a base for maker the decision. And the perhaps Yeh, The following problem can be raised:

## How effective is internal auditing? Strengthening corporate governance in Iraq?

Several emerge from the main questions subsidiary questions, which is next:

- 1- What is the nature of internal audit?
- 2- What is the nature of corporate governance?
- 3- What is the nature of the relationship between internal audit and corporate governance?
- 4- What The effectiveness of internal audit in enhancing corporate governance in Iraq?

## Objectives of the Study:

The objectives of the study are the following:

- showing Bezel The contribution of internal audit in changing the view of internal control from mere adherence to established standards to a means of enabling companies to improve their organizational performance.
- highlight the importance reach a high level of Integrity, responsibility and efficiency in Grant Confidence to for references y en procedure y en in order to Meet the requirements and aspirations of all related parties relevance with the company.
- Study and analyze corporate governance from an academic point of view and its relevance to stakeholders;
- Studying the nature of the relationship between external auditing and Strengthen Corporate governance practice.

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<sup>1</sup> Ionel BOSTAN and Veronica Grosu Grosu (2010), "The Role of Internal Audit in Optimization of Corporate Governance at the Groups of Companies", Theoretical and Applied Economics Volume XVII, No. 2 (543), p. 89–110

- Find out how effective it is Internal audit in enhancing corporate governance in Iraq.

## The Importance of Studying:

The scientific importance of the study in its contribution to throw more light on how effective Exercise audit Internal in strengthening corporate governance, as well as Role checker internal who for any It is still a research point that needs more scientific research, Particularly a The Arab environment is lacking To the culture towards role importance checker Academically and professionally qualified intern.

## Study Hypotheses:

The hypotheses of the study are as follows:

**The first hypothesis:** There is no statistically significant effect at the level of significance (0.05) regarding the perceptions of workers in public production companies in Iraq about the availability of aspects of enhancing internal auditing.

**The second hypothesis:** There are no statistically significant differences in the perceptions of workers in public production companies of the impact of internal auditing on corporate governance due to demographic variables (age, job degree, academic qualification, number of years of job experience, academic specialization). The following sub-hypotheses are derived from this hypothesis:

- There are no statistically significant differences between age and perception of the impact of internal auditing on corporate governance.
- There are no statistically significant differences between Specialization Academic And the Visualize the impact of internal auditing on corporate governance.
- There are no statistically significant differences between Degree functional And the Visualize the impact of internal auditing on corporate governance.
- There are no statistically significant differences between the educational qualification and the perception of the impact of internal auditing on corporate governance.
- There are no statistically significant differences between Number Years Experience functional and Visualize the impact of internal auditing on corporate governance.

**The third hypothesis:** There is no statistically significant effect at the level of significance (0.05) of the internal audit carried out by the internal auditors on achieving corporate governance in the public production companies in Iraq.

## The Limits of the Study:

In order to achieve the aim of the study and its hypotheses, the limitations of the study are limited to the following points:

- spatial boundaries: A group of private companies Iraqi.
- human limits Internal auditors in a number of private companies Iraqi.
- Time limits: This study was conducted during the period between 2021 to 2022 AD.

## Study Approach:

In light of the research problem, Wattnosof the importance of the studyAnd achieveto its goals,badIt was completedDuringTheaThe following penaltyracism What is internal audit and corporate governance, and whetherinternal auditThe application in Iraqi companies is effective inStrengthenThegovernanceinside thesecompanies in IraqThis is done by relying on the descriptive analytical method.

## Study Structure:

For more information on the topic, the study was divided into three partsSection dealsThe first: the theoretical framework aboutinternal auditAnd thecorporate governance. While the second section focuses on meResearch and AnalyticsThe relationship between internal auditing and corporate governance, then the third section will be discussedThe effectiveness of internal audit in enhancing corporate governance in IraqFinally, the results and recommendations.

## The first section: the theoretical framework aboutinternal auditAnd thecorporate governance.

### First: internal audit

A variety of meanings are attributed to the term "internal audit". The concept of internal audit is a common concept in the auditing and accounting literature, and as such many authors and professional bodies have provided definitions of this concept.And theIn the simplest term,Knowninternal auditthat:AuditthatIt is conducted in connection with the affairs of the Corporation by its employees or by an external service provider. This definition recognizes that internal audit is conducted by the organization's employees and focuses on the organization's operations; It also indicates that the internal audit function can be outsourced to a resource that performs the same functions as the internal internal auditors and reports to management"<sup>2</sup>.

The American Institute of Internal Auditors defines internal auditing as::An independent and objective activity that provides guarantees and advisory servicesin order toAdd value to the organization and improve its operations, as suchThis activity helps achieve the objectives of the organization by taking a structured approach to assessing and improving the effectiveness of governance, risk management and control processes"<sup>3</sup>.

whileKnown French Institute of Audit and Internal Control(IFACI) afor internal auditthat:A function responsible for the periodic audit of the means and capabilities available to management and managers at all levels, to manage and control the company, And theProvide this functionality beforepartySubordinate to the administration and independent of the rest of the interests among its main objectives within the frameworkauditleaguehe isVerify that the procedures include the

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<sup>2</sup> Eke GiftO(2018),INTERNAL AUDIT AND CORPORATE GOVERNANCE EFFECTIVENESS IN UNIVERSITIES IN RIVERS STATE",European Journal of Accounting, Auditing and Finance Research,Vol.6, No.4, P38.

<sup>3</sup> Muhammad Mohsen Awad imitated(2018)The role of the internal auditor to activate the principles of corporate governance and the positive effects reflected on the performance of companies: a theoretical studyJournal of Financial and Commercial Research, Faculty of Commerce, Port Said University, Volume (20), Issue (1), p. 33.

guarantee and sufficient information, correct, operations lawful, regulations effective, structures clear and appropriate"<sup>4</sup>.

from the perspective of (Aguolu, 2002), the internal audit is "Independent evaluation of the functions and quality of performance of the organization by specially appointed staff as part of the system of internal control". He pointed out that many organizations, especially large ones, use the services of internal auditors in order to enhance the efficiency of their operations. and that the internal auditor is an employee of the organization and therefore works full time within the organization. This definition is similar to the one originally provided by the Institute of Internal Auditors because of its emphasis on the independence of the internal auditor<sup>5</sup>.

All definitions tend to emphasize the fact that internal audit involves reviewing the accounting and financial operations of an organization and is performed by the organization's employees. However, modern internal audit now extends beyond reviewing transactions to assessing operational and strategic risks and is undertaken as an assurance and advisory activity that improves an entity's operations. On the basis of the strategic role of internal audit, The institute of internal auditors (IIA) through the Professional Practices Framework (PPF) issued in 2002 amending its original definition of internal auditing. The new definition of internal auditing is designed to accommodate the profession's expanding role and responsibilities. Thus, the Institute of Internal Auditors (2002) defined internal auditing as an independent and objective consulting activity aimed at adding value and improving the operations of an organization. Helps the organization achieve its goals by providing a structured and disciplined approach to assessing and improving the effectiveness of risk management, control and governance processes<sup>6</sup>.

## **The importance of internal audit**

The importance of internal auditing lies in the following<sup>7</sup>:

- Continuous improvement of processes based on objective measurement: means a series of continuous efforts made by the internal audit function to get up B The quality of the services you provide and On the other hand, the objective assessment of the activities and functions of the company.
- Need to look in Operation from a value-added perspective: via Looking at the operations carried out by the internal audit function and the added value expected to be achieved for the company And for all beneficiary parties services.
- Understanding and meeting requirements: By understanding internal audit requirements and fulfilling the services you need all the parties, Including Internal audit client expectations.

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<sup>4</sup> Dragos Laurentiu Zaharia, Andreea Lazar, Doina Maria Tilea (2014), "The Role of Internal Audit regarding the Corporate Governance and the Current Crisis", 5th World Conference on Educational Sciences – WCES 2013, Procedia – Social and Behavioral Sciences, 116.

<sup>5</sup> Aguolu, O. (2002). Fundamentals of auditing, Enugu: Meridian Associates.

<sup>6</sup> Institute of Internal Auditors (2002). "Recommendations for improving corporate governance: Presented to the New York Stock Exchange", Altamonte Springs, Florida: The Institute of Internal Auditors.

<sup>7</sup> Oussif Lakhdar (2017), Previous reference, s159.

### **Fundamentals of internal auditing**

Various literatures show that corporate governance can achieve its objectives by relying on the fundamentals of internal control. Which are as follows<sup>8</sup>:

- 1) - Disclosure and transparency: Transparency means providing data in order to protect the future of shareholders and to make the community aware that the organization is capable of fulfilling its obligations. Thus, transparency is an important element to ensure fairness, fairness and trust when applying the procedures taken by the organization's management and employees.
- 2) Accountability: And the It means the responsibility of the organization to perform continuous review and evaluation of management by related parties relevance Such as stakeholders and employees as well as the community. And the This can be implemented by providing the organization internally with representatives of the control structure, including independent audit committees, In addition to the internal control to carry out its duties independently.
- 3- Responsibility: And the It means that the company must have an ethical message that must be implemented in the society and that the managers realize that they have a duty to the work staff, to improve the services provided to them, and to protect the environment as well.
- 4- Justice: It means respecting the rights of stakeholders in the company, and distributing tasks, duties and responsibilities among employees on the basis of justice and equality. Hence, the Organization for Economic Co-operation and Development (OECD) OECD on the need to develop systems aimed at preventing employees of the organization including managers from taking advantage of their jobs.
- 5- Independence: Independence aims to limit or eliminate conflicts of interest through the establishment of independent committees, the appointment of auditors, and the prevention of any control by any party or side to control or influence the decisions of the Board of Directors..

### **Second: corporate governance**

#### **Concept corporate governance:**

The Organization for Cooperation and Development defines times Adia (OECD) corporate governance On it is It includes a set of laws, rules and standards that define the relationship between the company's management, its board of directors, shareholders and related parties., Corporate governance also provides the structure through which the company's objectives are defined, and the means for achieving these objectives and monitoring performance.<sup>9</sup>.

And the Corporate governance is defined as:: The mechanism through which all individuals working in the company, regardless of their position in it, are motivated to make their actual behavior and practices compatible with the target company's strategy and vision in maximizing its added value, and then achieving it to The principle of justice and balance between the interests of the executive management

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<sup>8</sup> Suhaib Tawfiq Jarrar (2016), "The Effect of Corporate Governance in Palestine on the Efficiency of Internal Audit: Empirical Evidence", International Journal of Economics and Finance; Vol. 8, No. 5. p 126-127.

<sup>9</sup> Essam Mohamed Al-Taweel, (2018), The effect of integration between the application of governance rules and audit quality in controlling the practice of earnings management. Journal of Financial, Accounting and Administrative Studies, number (1), p. 75.



ofhandand the interests of the executive management ofanother sideand the interests of other parties, including owners ofhandother"<sup>10</sup>.

And theWe can define corporate governance as::"A set of rules, foundations and methods that work to control the management of the company and tighten control over it."<sup>11</sup>.

And theto get to knowcorporate governanceas it is:The system in which companies are managed and monitored, and the boards of directors are responsible for the governance of their companies, and the role of shareholders in governance is to elect members of the board of directors and auditors, and to ensure the existence of a governance structure that suits them, and that the responsibility of the board of directors includes defining the strategic objectives of the company, and providing leaders who achieve these goals, Monitoring work management, presenting reports to shareholders during their tenure, ensuring that the Board of Directors adheres to laws and regulations, and works for the benefit of shareholders who are members of the General Assembly."<sup>12</sup>.

From the previous definitions,can be definedcorporate governanceprocedurallythat it is:"The mechanism that organizes work between shareholders, the board of directors, managers, and stakeholders."

## **The importance of corporate governance, and its goal**

Organization for Economic Co-operation and Development (OECD)OECD) highlight the importancegovernanceRational corporate governance in the global and local economic environment.And theAccording to the OECD, if countries are to reap the full benefits of the global capital market, and if they are to attract long-term capital, corporate governance arrangements must be credible and well understood across borders.And theEven if companies do not rely primarily on foreign sources of capital, adhering to good corporate governance practices will help improve the confidence of local investors, may reduce the cost of capital, and ultimately lead to more stable sources of financing.

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<sup>10</sup> Muhammad Matar and Abdel Nasser Nour, (2007), "The extent to which Jordanian public shareholding companies adhere to the principles of corporate governance," The Jordanian Journal of Business Administration, Volume (3), Issue (1), Amman, Jordan, p. 51.

<sup>11</sup> Aziz Logani, and Moufida IssaYahyaawi (2021), "The role of internal audit in activating corporate governance: a case study of a group of Economic institutions",Journal of Financial, Accounting and Administrative Studies,University of Larbi Ben M'hidi Oum El Bouaghi – Laboratory of Finance, Accounting, Taxation and InsuranceVolume (8), Issue (1),p. 660.

<sup>12</sup>Al-Ayeb Abdel-Rahman (2016), "The role of internal auditing in the proper practice of corporate governance in the light of international standards for the practice of the internal auditing profession.Journal of Economic Sciences and Management Sciences,Faculty of Economic and Commercial Sciences and SciencessyerSetif University1, Algeria, Issue (16), p49.

Corporate governance also aims to: Maintain the long-term interests of shareholders, And the Improve competitiveness and access to capital in the global market, And the The market views corporate governance as an incentive for shareholders to invest in the company<sup>13</sup>.

## **Section Two: The relationship between internal audit and corporate governance**

Improving management processes in all lines of companies or organizations requires knowledge and application of more modern principles aimed at ensuring that management Enterprise Work well for to improve The performance enhance the capacity The competitive. Hence, there is a need for good management practices and their implementation in the corporate governance structure. And consider The Audit Committee is the right hand of the members of the Board of Directors And it's a way to supervise performance The Management, as well as Responsible for the overall implementation of internal audit.

as such Internal audit is responsible for analyzing and evaluating management in terms of systems and processes to provide reasonable assurance regarding the level of internal control activities and provide advice to management that will lead to the improvement and development of business activities of the entities in all line subjects for review. Thus, it is known that the roles and functions of internal auditing are changing and developing in an increasing and widespread manner from an activity that identifying fraud is a real management tool, that is, the presence of advisory activities that contribute to improving the governance system. And the The perception of the role of internal audit is to increase the centralization of risk management and internal control in corporate governance.<sup>14</sup>.

## **Or not: The role that the internal auditor performs through the principles of corporate governance**

Governance principles aim to achieve justice And the Transparency and protection of the rights of all stakeholders, And the This goal corresponds to a goal audit Internal resulting from the commitment of the company's departments to normalize internal communications and adherence to regulations And the professional standards, Therefore it will be displayed The role of the internal auditor through the principles of governance<sup>15</sup>:

1. principle Make sure The existence of a foundation for an effective corporate governance framework: the internal auditor plays his role Across Contribute to the development of the corporate governance structure and verify the integrity of the existing systems and their compliance with the rules And the Legal and legislative requirements, As well as verifying the distribution of responsibilities to the supervisory authorities and censorship for the company.
2. The principle of shareholder rights: The internal auditor plays his role Dust Conducting financial and management reviews, documentary reviews, compliance reviews, and checking whether or not there is similarity in information and that property rights are registered to their rightful owners. It also

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<sup>13</sup> Sherien Mamoun Sayed Ahmed Mohamed (2020), "The Role of Internal Control System in Activating Corporate Governance: Field Study in the National Audit Chamber", Journal of Public Administration and Governance, Vol. 10, no. 2, p 404.

<sup>14</sup> Irwan Adimas Ganda Saputra, Achmad Yusuf (2019), "The Role of Internal Audit in Corporate Governance and Contribution to Determine Audit Fees for External Audits", Journal of Finance and Accounting, Vol. 7, No. 1, p2.

<sup>15</sup> Muhammad Mohsen Awad imitated (2018), Previous reference, p. 38.



checks the articles of association of the company And the The adequacy and appropriateness of disclosure of information to stakeholders.

3. The principle of equal treatment of shareholders The internal auditor plays an important role by controlling internal information from: During Application Censorship which It is not exploited and traded leading to transfer of wealth, and therefore the internal auditor must check From share And the Shareholders on their voting rights and information justifying their voting rights.

4. The principle of the role of stakeholders in corporate governance: j The law guarantees a right and s Owners of companies, Since the governance practices framework includes recognition of these rights, the internal auditor verifies the company's compliance with these rights For shareholders, if those rights are violated that presents risks, the internal auditor examines procedures to mitigate or reduce these risks, as well as checks compensation policies.

5. The principle of disclosure and transparency: This principle is considered the most important highlighted governance principles, Because he Complies with the principle of full disclosure, which is one of the accounting principles Accepted And because this principle is a violation that leads to risks resulting from the asymmetry the information, and then The internal auditor verifies that the principle of full disclosure has been taken into account by the financial department, and therefore this role supports the principle of disclosure and transparency.

6. MS principle and Board mandates: It is considered The internal auditor is the link between all departments, the Board of Directors and the committees emanating from the Audit and Risk Management Committee. and then Assists the Board of Directors in providing information related to the assessment of risk policies and procedures During Provide assurance about risk management processes that correctly evaluated, Besides Submitting reports on the assessment of major risks to the Board of Directors.

## **Secondly: The role of internal audit in corporate governance**

This section specifically highlights the role of internal audit in determining how the internal audit function fits into the corporate governance framework and its contribution to corporate governance. And the According to the Institute of Internal Auditors, internal audit plays two essential roles in corporate governance with regard to: Monitoring risk<sup>16</sup> and provide safeguards with respect to controls. And the In the context of governance, the main activity in relation to risk is its control, including all sub-steps of risk identification, assessment of the potential impact of the risk on the organization, defining the risk treatment strategy, and then monitoring the environment for new risks as well as monitoring the existing risk strategy and accompanying controls. And the Risk is closely related to strategy. and the actions that must be taken to reduce or eliminate the identified risks. And

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<sup>16</sup> Risk is the potential for an event or action, or inaction, to adversely affect the organization or activity under review. Thus, risk is the chance or probability of something bad happening and includes the opportunity cost associated with not taking action.

The Institute of Internal Auditors (2002) summarized the role of the internal audit function in relation to risk as follows<sup>17</sup>:

- Evaluate the current risks of the controlled area and report this assessment to management or the audit committee, or both.
- Develop a plan to systematically assess risks across the organisation.
- Lead risk management activities when a vacuum occurs within the organization.
- Facilitate risk assessment through risk self-assessment techniques.
- Evaluate the risks associated with new computing developments and stop the project if the risks are not controlled at predetermined acceptable levels.
- Assist management in implementing the risk model across the organisation.

In addition to risk control, the internal audit function provides assurance on internal controls. And the controls are in place to address risks. Control is any action taken by management to enhance the likelihood of achieving set goals and objectives.

The Institute of Internal Auditors (2002) summarized the role of the internal audit function in relation to internal control as follows<sup>18</sup>:

- Assist management in designing a comprehensive assessment, including testing of controls across the organisation.
- Testing compliance with controls in functional areas, reporting results to management and, if relevant, to the audit committee.
- Assisting management in preparing a report on the effectiveness of internal controls.
- Identification of significant deficiencies in control, including elements of tone at the top, and reporting to the audit committee (for areas examined).
- Implement computerized testing techniques, such as continuous monitoring techniques, to monitor the effectiveness of controls.
- Facilitate understanding and development of controls within functional areas through control self-assessment techniques.

Emile Wolf International (2010) The important roles of internal audit in an organisation, all designed to assist an organization in achieving effective corporate governance, which is as follows<sup>19</sup>:

- Internal audit helps management monitor controls within the entity, The managerial task of monitoring controls may become difficult as the size and complexity of the entity increases; Thus, internal audit can be a useful management tool for monitoring controls.
- The internal audit function can be used to monitor the efficiency of operations, This is to ensure efficient and effective use of resources, especially in a competitive market.

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<sup>17</sup>Eke Gift O (2018), "INTERNAL AUDIT AND CORPORATE GOVERNANCE EFFECTIVENESS IN UNIVERSITIES IN RIVERS STATE", European Journal of Accounting, Auditing, and Finance Research, Vol.6, No.4, P 41-42.

<sup>18</sup> Institute of Internal Auditors (2000). "Standards for the professional practice of internal auditing Altamonte Springs", Florida: The Institute of Internal Auditors Research Foundation.

<sup>19</sup> Emile Wolf International (2010). "Advanced Audit and Assurance: International". Berkshire: Emile Wolf Publishing Ltd.

- In countries where there are a large number of legal and accounting regulations, management can use internal auditors to ensure compliance with laws and regulations.
- For organizations that operate complex IT systems, the internal audit function can assist management in reviewing the effectiveness of controls within those systems.

And theIn the discussion on the role of internal audit in corporate governance, addressWhoever (Karagiorgos, Drogalas, Gotzamanis, Tampakoudis)This issue is examined by examining the relationship between internal audit and the basic elements of corporate governance. They indicated that, with regard to the relationship between the internal auditor and managers, the internal auditor's contribution to corporate governance is to provide information to managers who need itaTo carry out their responsibilities in the management of the institution.And theFurthermore, internal audit assists the Board of Directors in self-assessment of governance.And theBased on internal audit's relationship with the audit committee,fInternal audit contributes to corporate governance by: bringing best practice ideas on internal controls and risk management processes to the attention of the audit committee;And theprovide information about any fraudulent activities or wrongdoing;And theCarry out annual audits and report the results to the Audit Committee; Encouraging the Audit Committee to conduct periodic reviews of its activities and practices. Finally, regarding the relationship between the internal auditor and the external auditor, they indicated that the internal auditor supports and cooperates with the external auditor to enhance the overall quality of the external audit.<sup>20</sup>.

### **Third: Analyzing the relationship between internal audit and corporate governance**

He achieved The development of internal audit has made remarkable achievements, but many gaps remain, ParticularlyIn the rapid development of the modern corporate system,FThe role of corporate governance has become particularly important.And theSound governance requires checks and balances from various factors, while internal audit plays an important role.

#### **1) Internal audit is an integral part of corporate governance**

The board of directors, executive management, external audit and internal audit mainly determine the soundness and security of the company's governance structure,The healthy development of a company is inseparable from a solid governance structure.And theBoards of directors and senior management need to fully understand the various factors and risks that threaten the achievement of objectives.And theIn the process of implementing the goal, different performance situations may have deviations that affect the achievement of the goal. The corporate governance structure has achieved effective checks and balances. Thus, in the field of corporate governance, internal audit plays an indispensable role<sup>21</sup>.

#### **2) The role of internal audit in strengthening the corporate governance structure**

In advanced foreign companies, in order to better manage the company, they all attach great importance to internal audit, which shows that the company's sustainable development cannot be separated from internal audit.And theInternal audit plays a facilitating role in corporate governance structure, particularly in the following two points:

<sup>20</sup> Karagiorgos, T., Drogalas, G., Gotzamanis, E. & Tampakoudis, I. (2010), "Internal auditing as an effective tool for corporate governance", *Journal of Business Management*, 2 (1), 15–22.

<sup>21</sup> Jianjun Zou (2019), "On the Role of Internal Audit in Corporate Governance", *American Journal of Industrial and Business Management*, 9, p 65–66.

a) Internal audit is an important means of promoting effective corporate governance

Under the modern corporate system, “rights and responsibilities are clear, however Shareholders lack an understanding of company operations and there is a potential for decision risk, While management places importance on operational risks and loss prevention, it may ignore internal regulatory and audit risks.

b) Internal audit and corporate governance have a common goal

Corporations are profit-seeking organizations, and the effectiveness of corporate governance is related to the degree of coordination of the rights of the various rights holders. And the Corporate governance aims to achieve a good balance between this relationship, and thus provide a guarantee for the continuous growth of the company's economic interests as an independent and objective existence within the organization.<sup>22</sup>.

3) The impact of corporate governance on the internal audit environment

On the one hand, corporate governance can enhance the independence and authority of internal audits, Internal audit is what promotes continuity Yeh Company profitability And the It is key distinguishing Ha, and when You ignore the treachery company problems will lead Business failure. And the To ensure the authority of the internal audit, companies must create conditions for the independent work of the audit department.<sup>23</sup>.

### **Section Three: The effectiveness of internal audit in enhancing corporate governance in Iraq**

To measure the effectiveness of internal audit systems in enhancing corporate governance in Iraq, we will prepare a field study, as follows:

#### **1. Field study procedures**

The researchers discuss the method and procedures used in carrying out the study, This includes a description of the study population, the study sample, the method of preparing its tools, and the statistical methods used to test the hypotheses of the study. The study population is the group of elements that the researcher seeks to generalize the results related to the problem. The study population consists of: A number of Iraqi companies.

#### **2. The study sample**

The study sample was selected according to its scientific specifications that achieve the objectives of the study from the internal auditor, the external auditor, the accountant, the risk office, and the investment officer, to achieve the purpose of the study.

#### **3. Data collection**

(50) questionnaires were distributed to the previously selected and targeted sample to verify the hypotheses of the study., And the A total of (50) questionnaires were collected for analysis, (100%), in order to achieve accurate results and disseminate them to the study population. And the The researchers are keen to diversify the study sample in terms of its coverage according to the following:

a. Individuals of all ages (less than 30 years old, 30 years old, less than 35 years old, 35 years old and less than 40 years old, and more than 40 years old).

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<sup>22</sup> Lu, WH (2017), “Research on Internal Audit Quality Control of XY Company”, Thesis, Chongqing University of Technology, Chongqing.

<sup>23</sup> Qiang, HD (2015), “Role Positioning and Function Reconstruction of Internal Audit in Corporate Governance”, Thesis, Lanzhou Business School, Lanzhou.

- B. Individuals with different qualifications (Bachelor's, Higher Diploma, Master's, PhD, others).
- c. Individuals from various scientific disciplines (accounting, financial and banking studies, business administration, accounting information systems, economics, and others).
- Dr.. Individuals of different professions (internal auditor, external auditor, accountant, risk office, investment officer, department head, others).
- e. Individuals with different years of experience (less than 5 years, 5 years, less than 10 years, 10 years, less than 15 years, 15 years, less than 20 years, and more than 20 years).

### **Section Three: Study methodology, method and procedures**

#### **Introduction**

The questionnaire was used to collect data from the research community, which requires an accurate and clear preparation of its paragraphs, and therefore its data is used in the statement of the applied side of the research, to conduct statistical analysis to reach the results that are interpreted in the light of the research literature related to its subject, and thus achieve the goals that it seeks to achieve.

Accordingly, this section deals with the procedures and methodological steps that were taken in the field of the field study, as it deals with the study methodology, the study community, and the sample to which the study was applied, in addition to clarifying the tools used in the study and its steps, and the statistical methods that were used in analyzing the data to communicate the results, and then Achieving the objectives of the study. This section also includes a description of the necessary procedures in codifying and applying research tools, and finally the statistical treatments that were used in the research analysis.

#### **Study Approach**

YaaTExtending the study approach to analyzing the phenomenon, revealing the relationships between its various dimensions, and finding a scientific explanation and conclusion in its light, which is the organized method used to solve the research problem, in addition to it being the science that is concerned with how to conduct scientific research. WhereabaptizedTThis study is based on the descriptive analytical method to obtain sufficient and accurate information about the impact of internal auditing on corporate governance in the institutions in the sample studied, and then analyze and interpret it in order to identify indicators for addressing the problem.

#### **The study population and its sample**

The study population is represented by the internal auditors of the public production companies in Iraq, within the borders of the city of Baghdad, represented by three companies: (Al-Kindi for the production of veterinary vaccines, Al-Fallujah for the production of construction materials, and Al-Iraqi for the production of seeds). And was chosen these companies Due to the large volume of business in it and the concentration of a large number of internal auditors in it. In view of the difficulty of communicating with all members of society, a random sample of internal auditors was chosen.<sup>72</sup>A questionnaire was given to them, and it was found that all are valid questionnaires for analysis.

#### **Study hypotheses:**

This study is based on a set of hypotheses aimed at examining the nature of the impact of the independent variable "internal audit" with its dimensions (planning, timing and scope of the audit,

financial risk statement, reducing the costs of the audit process), and the dependent variable "corporate governance" and its sub-variables (An effective framework for governance, stakeholder practice of management, application of the principle of management responsibilities, and promotion of accounting disclosure). The following is an explanation of these hypotheses.

**The first hypothesis:** There is no statistically significant effect at the level of significance (0.05) regarding the perceptions of workers in public production companies in Iraq about the availability of aspects of enhancing internal auditing.

**The second hypothesis:** There are no statistically significant differences in the perceptions of workers in public production companies of the impact of internal auditing on corporate governance due to demographic variables (age, job degree, academic qualification, number of years of job experience, academic specialization). The following sub-hypotheses are derived from this hypothesis:

- There are no statistically significant differences between age and perception of the impact of internal auditing on corporate governance.
- There are no statistically significant differences between Specialization Academic And the Visualize the impact of internal auditing on corporate governance.
- There are no statistically significant differences between Degree functional And the Visualize the impact of internal auditing on corporate governance.
- There are no statistically significant differences between the educational qualification and the perception of the impact of internal auditing on corporate governance.
- There are no statistically significant differences between Number Years Experience functional and Visualize the impact of internal auditing on corporate governance.

**The third hypothesis:** There is no statistically significant effect at the level of significance (0.05) of the internal audit carried out by the internal auditors on achieving corporate governance in the public production companies in Iraq.

## Study Tools

A special questionnaire was developed and used to collect data with reference to relevant scientific studies and research. The questionnaire consisted of two parts:

The first section is general data: the general data about the participants in the study is represented in all data related to educational qualification, experience, age, and others.

Section Two: This section contains phrases related to the subject under study. It is divided into two axes as follows:

The first axis: This axis includes: 24 Paragraph about aspects Strengthen audit procedure in the company, namely: (Planning, timing and scope of the audit, financial risk statement, reducing audit costs).

The second axis: it includes: 11 A paragraph about the extent to which internal auditing contributes Investigation corporate governance with its dimensions (an effective governance framework, stakeholder practice of management, applying the principle of management responsibilities, enhancing accounting disclosure), in the general productive companies in Iraq.

All the questionnaire phrases were formulated in a positive way, and each of its phrases was given a graded weight on the five-point Likert scale to estimate the degree of achievement of the phrase to



answer the paragraphs of the axis in the questionnaire, and the answers according to this scale are limited to: strongly agree, agree, somewhat agree, disagree, Strongly Disagree. The weights of the responses to the paragraphs were determined according to the following table:

Table () Weights of responses according to the five-point Likert scale

Degree of approval Weight Range of weighted average Percentage Level of approval Significance level

very high	84-100	From 4.20 to 5	5	Strongly Agree
High	68-83.99	From 3.40 to 4.19	4	OK
Medium	52-67.99	From 2.60 to 3.39	3	Somewhat ok
weak	36-51.99	From 1.80 to 2.59	2	not agree
non-existent	20-35.99	From 1 to 1.79	1	Strongly Disagree

### The validity of the tool

The validity of the questionnaire means making sure that it will measure what it was intended to measure, as it means by honesty and the inclusion of the questionnaire for all the elements that must be included in the analysis on the one hand, and the clarity of its paragraphs and vocabulary on the other hand, so that it is understandable to everyone who uses it, and the validity of the research tool has been confirmed as well follows:

In order to ascertain the validity of the measurement tool and to ensure that the statements that make up the questionnaire can lead to accurately collecting the required data, choose TThe researcher has two ways to achieve this purpose:

- A- Presenting the questionnaire in its initial form to a number of its members and Teaching staff specialized in the field of internal auditing, statistics and scientific research, with the aim of evaluating the questionnaire, in terms of the clarity of the phrases and the extent of their ability to be understood and assimilated by the respondents, and their connection to the problem of the study and its hypotheses. Some opinions and observations were presented about the questionnaire's expressions, which led to the formulation of some of its expressions, in accordance with those observations made by the arbitrators.
- b- Choosing a random sample of the members of the community under study Study Pilot in order to find out the appropriateness and clarity of the questionnaire statements for the respondents, and the appropriate adjustments were made in the light of their observations.

The researcher presented the research tool in its initial form to a group of arbitrators consisting of (5) members of the faculty at the Faculty of Business Management At Al-Mustansiriya University and public production companies in Iraq, they specialize in: Business Administration and Internal audit and statistics. The arbitrators were asked to express their opinions on the appropriateness of the phrases to measure what they were developed for, the clarity of the wording of the phrases, and the appropriateness of each phrase to the axis to which it belongs. And the adequacy of the phrases to cover each of the axes of the basic variables of this study, in addition to suggesting what they deem necessary to amend or delete the wording of the phrases, or add new phrases to the research tool, as well as expressing their opinions regarding the primary data (the personal and functional characteristics required of the respondents).

The arbitrators' directives focused on criticizing some paragraphs and the need to amend them in line with the axes of the questionnaire, and some arbitrators advised adding some phrases to the axes of the questionnaire.

Based on the observations and directions made by the arbitrators, the amendments agreed upon by most of the arbitrators were made, as the wording of the phrases was amended and some others were deleted or added.

### Tool stability

For the purpose of verifying the stability of the tool, the researcher used the internal consistency coefficient of the tool's expressions through the Cronbach alpha equation, which was applied using the Statistical Package for Social Sciences program.SPSS. A statistically acceptable value for Cronbach's alpha coefficient is of 60% or more. The reliability test was conducted on the respondents' answers to the questionnaires, and the results were as shown in the table ().

Table () stability coefficient for the main axes of the questionnaire

Cronbach alpha coefficient	the hub
0.927	levelinternal auditI haveThe company's internal auditors
0.881	The contribution of internal auditing in its dimensionsInvestigationcorporate governance
0.951	All phrases of the interlocutor

Through the data of the table (), we notice that the values of the Cronbach alpha coefficient for all the statements of each axis of the questionnaire and for all the statements of the axes are greater than 60.0%, and this indicates a strong correlation between the answers of the study sample on each group of the statements of the questionnaire axes.

Therefore, the contentFormThe questionnaire has a high degree of stability, stability and reliability, and then we can recognize the validity of the results reached through the field study and then the possibility of circulating it to the community under study.

### Study procedures

#### First: the demographic characteristics of the study participants:

Distribution of study participants according to academic qualification.And theTable ( ) shows the frequency and percentage distribution of the participants in the study according to the educational qualification.

Table () Frequency and percentage distribution of study participants according to educational qualification

percentage	the number	Qualification
1.4	1	Ph.D
11.1	8	Master's
47.2	34	BA
40.3	29	diploma
100	72	the total

It is clear from the data presented in Table ( ) that1.4% of the participants in the study hold a doctorate degree, while the percentage of master's degree holders reached 11.1%, while the percentage of bachelor's degree holders amounted to 47.2%And holders of intermediate qualification percentage40.3% of the sample. Thus, we note that the percentage59.7 of the participants in the study

hold high academic qualifications, and the fact that the participants in the study have these academic qualifications increases the level of confidence in their auditing capabilities.

#### **Distribution of participants in the study according to the number of years of experience in the field of internal audit**

Table ( ) shows the frequency and percentage distribution of study participants by years of experience.

Table ( ) Frequency and percentage distribution of study participants according to years of experience

percentage	the number	Years of Experience
55.6	40	Less than 5 years
18.1	13	From 5 to less than 10 years
11.1	8	From 10 to less than 15 years old
15.3	11	From 15 and more
100	72	the total

Table ( ) shows that the number of years of experience in the field of internal auditing 15th year or more reached 18.1% of the research sample, and the number of years of experience "5 to less than 10 years" was 18.1% of the research sample, And the The number of years of experience in the field of internal auditing is "10 to less than 15 years." 11.1% of the research sample, while the number of years of experience in the field of internal audit "less than 5 years" amounted to 55.6%. These percentages are high and give an indication of the presence of good years of experience among the research sample, and this means that most of the participants in the study have extensive experience in their field of work, which enables them to understand the nature of the subject under study and answer the questionnaire questions correctly.

#### **Distribution of study participants according to age**

Table ( ) shows the frequency and percentage distribution of study participants by age.

Table ( ) Frequency and percentage distribution of study participants by age

percentage	the number	Age group
38.9	28	Less than 30 years old
48.6	35	from 30 to less than 40 years old
9.7	7	From 40 to less than 50 year
2.8	2	50 year or more
100	72	the total

From the data of the previous table, it is clear that the age group that took the largest percentage in the study sample is the category From 30 to less than 40 years old 48.6%, The age group came in second place Less than 30 years old, with a rate of 38.9%, and those who reached their age From 40 to less than 50 year percentage 9.7% As for their age 50 years or more, so their percentage was small and did not exceed 2.8%. From the previous ratios, it can be concluded that the study sample has a good level of awareness, which is reflected positively in answering the questions posed to them in the questionnaire.

#### **Distribution of study participants according to their job title**

Table ( ) shows the frequency and percentage distribution of study participants according to Functional class.

**Table () Frequency distribution and percentage of study participants according to Functional class**

percentage	the number	Functional class
2.8	2	Director general
9.7	7	Associate director
9.7	7	Head of the Department
8.3	6	Investment officer
16.7	12	finance audit
52.8	38	accountant
100	72	the total

Table (3) shows that 2.8% of the research sample Functional class for them "Director general", And what is its ratio? 9.7% of the research sample "Assistant Director", And what is its ratio? 9.7% of the research sample "Head of the Department", And the 52.8% of the research sample Functional class for them "accountant", And the 16.7% of the research sample Functional class for them "finance audit", And what is its ratio? 8.3% of the research sample "investment officer".

#### **Distribution of study participants according to Specialization Scientific**

Table ( ) shows the frequency and percentage distribution of study participants according to Specialization Scientific.

**Table () Frequency distribution and percentage of study participants according to Specialization Scientific**

percentage	the number	Professional certificate
30.6	22	accountant
6.9	5	Economic sciences
18.1	13	Business Administration
34.7	25	professional
9.7	7	Audit
100	72	the total

Table ( ) shows that its ratio 30.6% of the research sample their scientific specialization "Accounting audit specialization", And the What is its ratio? 6.9% of the research sample their scientific specialization "Economic sciences", And what is its ratio? 18.1% of the research sample their scientific specialization "Business Administration", And the What is its ratio? 34.7% of the research sample their scientific specialization "professional" And what and what is the ratio 9.7% of the research sample their scientific specialization "Audit".

#### **Second: Examination of study hypotheses**

##### **(1) test First hypothesis:**

**First hypothesis:** There is no statistically significant effect at the level of significance (0.05) regarding the perceptions of workers in public production companies in Iraq about the availability of aspects of enhancing internal auditing.

And theTo find outPerceptions of workers in public production companies in Iraq about availabilityaspects Strengthen audit procedureThe arithmetic mean and standard deviation were calculated for the sample, and the following table shows this.

**Table (...) the arithmetic mean and standard deviationfor perceptions staff in companies Productivity the public in Iraq Around Bezel Availability aspects Strengthen audit procedureIn the Iraqi public production companies.**

Sort according to the arithmetic mean	effect size	test valueT	standard deviation	SMA	paragraphs	X
<b>Dimension 1: Assistance in planning, timing and scope of the audit</b>						
<b>Fifteenth</b>	<b>0.735</b>	<b>22,378</b>	<b>0.727</b>	<b>1.92</b>	Providing a written guide to the internal and analytical procedures necessary for the auditing profession	<b>1</b>
<b>eighteen</b>	<b>0.795</b>	<b>19,339</b>	<b>0.786</b>	<b>1.79</b>	Having effective oversight on all internal and financial aspects	<b>2</b>
<b>nineteenth</b>	<b>0.817</b>	<b>18,651</b>	<b>0.809</b>	<b>1.78</b>	Existence of accounting, financial and technical standards upon which the establishment relies in preparing its financial plans	<b>3</b>
<b>twelveth</b>	<b>0.952</b>	<b>18,143</b>	<b>0.942</b>	<b>2.01</b>	Review the audit planning memorandum for the previous year	<b>4</b>
<b>VI</b>	<b>0.796</b>	<b>23,354</b>	<b>0.787</b>	<b>2.17</b>	Reviewing the internal system of the establishment and the articles of incorporation	<b>5</b>
<b>The second dimension: a statement of the financial risk that may surround the establishment</b>						
<b>VII</b>	<b>0.853</b>	<b>21,496</b>	<b>0.844</b>	<b>2.14</b>	Auditor inquiryAbout matters of importance that may affect the financial performance of the company in the current period	<b>6</b>
<b>VIII</b>	<b>0.864</b>	<b>21,095</b>	<b>0.855</b>	<b>2.13</b>	The auditor's discussion with the management of any factors that may affect the company's business	<b>7</b>
<b>Thirteenth</b>	<b>0.840</b>	<b>20,289</b>	<b>0.813</b>	<b>1.99</b>	The accuracy of the internal system in proving financial transactions	<b>8</b>
<b>sixteen</b>	<b>0.900</b>	<b>18,128</b>	<b>0.891</b>	<b>1.90</b>	Examining the balances of various accounts and trial balances in order to infer the existence of unusual account balances	<b>9</b>
<b>fourteenth</b>	<b>0.846</b>	<b>19,705</b>	<b>0.837</b>	<b>1.94</b>	Compare the current year's account balances with the previous year's account balances	<b>10</b>
<b>The tenth</b>	<b>0.903</b>	<b>19,658</b>	<b>0.893</b>	<b>2.07</b>	Calculating the financial ratios of the establishment and comparing them with the rates of the similar sector	<b>11</b>
<b>VIII</b>	<b>0.812</b>	<b>22,432</b>	<b>0.804</b>	<b>2.13</b>	Interpretation of deviation of actual data from planning budgets and forecasts	<b>12</b>
<b>ninth</b>	<b>0.977</b>	<b>18,413</b>	<b>0.966</b>	<b>2.10</b>	Ensure the reasonableness of dues and note the existence of any unusual dues	<b>13</b>

Sort according to the arithmetic mean	effect size	test valueT	standard deviation	SMA	paragraphs	X
ninth	0.851	21,138	0.842	2.10	Ensuring the reasonableness of the opening balances of the budget accounts at the start of the audit process (such as the accumulated depreciation in terms of the appropriateness of the provision with the period of use of the asset)	14
The dimensionThirdReducing the costs of the internal audit process						
sixteen	0.868	18,808	0.858	1.90	The auditors are aware of the company's operations, and they are trained in the work they perform	15th
eleventh	0.777	22,386	0.769	2.03	The applied policies are compatible with plans, procedures, local laws, and the internal system of the facility	16
seventeenth	0.842	18,806	0.833	1.85	The existence of a strong internal control system so that objectives and powers are objective and monitored	17
VI	0.914	20,341	0.904	2.17	Reducing the time and effort required to complete the audited financial statements.	18
the first	0.995	20,461	0.985	2.38	Not needing to audit all financial transactions and limiting it to those that arouse the interest of the auditor based on analytical tests	19
Fifth	0.881	22,030	0.872	2.26	Carry out the audit process with the least possible number of auditors	20
the fourth	0.924	21,410	0.914	2.31	The possibility of carrying out the audit process by auditors with medium experience	21
VII	0.886	20,694	0.877	2.14	The possibility of carrying out the audit through the computers available to the auditor	22
The second	0.932	21,608	0.922	2.35	There is no need for specialized auditors to carry out the audit process (analytical audit procedures) and it can be done through the staff that already exists	23
Third	1,001	19,871	0.990	2.32	No additional information is needed beyond that available to the auditor	24

By looking at the table (...) it turns outPresenceStatistically significant effectBelonging to perceptions staff in companies Productivity the public in Iraq Around Bezel Availability aspects Strengthen audit procedure.Where that the arithmetic mean of a measureaspects of promotionaudit processThe internal affairs of the companies under study, namely: Public production companies in Iraq ranged between 2.38 and 1.78,The effect size ranged from 0.735 to 1.001, i.e. medium to largeWhich indicates the tendency of perceptionsThe researched sampleTowardCheck the dimensions of internal audit, which include:(Planning, timing and scope of the audit, financial risk profile, reducing audit costs).This is an indication for meBezeleffectivenessaspectsStrengthening internal auditIn Iraqi public production companies according to perceptionsThe study sample.



**(2) a testimpositionSecond:**

**the premise the second:**no exist Effect with indication Statistic when level indication(0.05)to check procedure that get up with it auditors internals on me Investigation governance companies in companies Productivity the public in Iraq.

And theTo find outaudit effect procedure that get up with it auditors internals on me Investigation governance companies in companies Productivity the public in IraqThe arithmetic mean and standard deviation were calculated for the sample, and the following table shows this.

**Table (...) the arithmetic mean and standard deviationfor audit effect procedure that get up with it auditors internals on me Investigation governance companies in companies Productivity the public in Iraq.**

Sort according to the arithmetic mean	effect size	test valueT	standard deviation	SMA	paragraphs	X
<b>An effective corporate governance framework</b>						
<b>eleventh</b>	<b>0.780</b>	<b>20,913</b>	<b>0.772</b>	<b>1.90</b>	The internal auditor evaluates the achievement of the company's strategic objectives	<b>1</b>
<b>VIII</b>	<b>0.777</b>	<b>22,065</b>	<b>0.769</b>	<b>2.00</b>	The internal audit department of the company prepares a report on the effectiveness of the internal control system and submits it to the Board of Directors periodically	<b>2</b>
<b>VIII</b>	<b>0.759</b>	<b>20,737</b>	<b>0.751</b>	<b>2.00</b>	revealThe company's internal auditor examines deficiencies in the internal control system through continuous follow-up of the company's activities	<b>3</b>
<b>Thirteenth</b>	<b>0.729</b>	<b>20,014</b>	<b>0.722</b>	<b>1.76</b>	The corporate governance structure raises the level of transparency and efficiency	<b>4</b>
<b>the fourth</b>	<b>0.887</b>	<b>21,620</b>	<b>0.877</b>	<b>2.07</b>	The company's governance is consistent in dividing responsibilities between the different departments responsible for supervising control	<b>5</b>
<b>twelveth</b>	<b>0.733</b>	<b>21,948</b>	<b>0.725</b>	<b>1.85</b>	Governance requires the application of the law	<b>6</b>
<b>Stakeholders' practice of the methods of exercising administrative powers</b>						
<b>fourteenth</b>	<b>0.678</b>	<b>23,833</b>	<b>0.671</b>	<b>1.74</b>	Ensure respect for the rights of interests protected by law within the community	<b>8</b>
<b>VIII</b>	<b>0.720</b>	<b>22,892</b>	<b>0.712</b>	<b>2.00</b>	The company's internal law guarantees the right to compensation for stakeholders	<b>9</b>
<b>ninth</b>	<b>0.739</b>	<b>22,202</b>	<b>0.731</b>	<b>1.97</b>	The existence of an effective working mechanism between the stakeholders and the Board of Directors in order to ensure the continuity of the company	<b>10</b>
<b>Applying the principle of management responsibilities</b>						
<b>The tenth</b>	<b>0.746</b>	<b>19,635</b>	<b>0.738</b>	<b>1.93</b>	With the existence of internal audit, effective control over the executive management is achieved by the Board of Directors	<b>11</b>
<b>Third</b>	<b>0.916</b>	<b>21,113</b>	<b>0.906</b>	<b>2.10</b>	With the presence of internal audit, the Board of Directors selects its members and its basic tasks	<b>12</b>
<b>Third</b>	<b>0.916</b>	<b>22,940</b>	<b>0.906</b>	<b>2.10</b>	The Audit Committee is one of the main pillars of corporate governance	<b>13</b>

Sort according to the arithmetic mean	effect size	test valueT	standard deviation	SMA	paragraphs	X
The second	0.858	24,719	0.848	2.11	SeekThe internal auditor in the company to apply governance	14
VII	0.758	22,610	0.750	2.03	By the presence ofThe company's internal auditor ensures the quality of financial reports and increases the importance of accounting information	15th
Fifth	0.708	24,719	0.701	2.04	With the presence of internal auditing, interaction takes place between the Board of Directors, senior management and the internal auditor to ensure sound governance	16
VIII	0.759	22,610	0.751	2.00	With the presence of internal auditing in the company, the Board of Directors ensures the strategic direction and direction of the company	17
Enhancing disclosure and transparency						
ninth	0.699	24,203	0.691	1.97	Works audit procedure on me a guarantee Transparency and disclosure and audit in same the time	18
VI	0.748	23,412	0.740	2.04	Works audit procedure on me Disclosure About Goals Enterprise	19
the first	0.910	21,215	0.900	2.25	Works audit internal on disclosure About Policy rewards members board Administration	20
Fifth	0.880	20,041	0.870	2.06	Associated boss audit procedure with the highest level in the structure organizational for the company	21

By looking at the table (...) it turns out Presence Statistically significant effect to the effect of a for internal audit performed by the internal auditor on me Investigation Corporate governance in public production companies in Iraq. Where that the arithmetic mean of a measure Effect audit process The internal governance of the companies under study, namely Public production companies in Iraq ranged between 2.25 and 1.47, And the size of the effect ranged Between 0.699 and 0.916, that is, medium to large Which indicates the tendency of perceptions The researched sample Toward Check the dimensions of internal audit, which include: (Planning, timing and scope of the audit, financial risk profile, reducing audit costs) No impact .... on corporate governance under study. This is an indication for me Bezele effectiveness of internal audit Influencing governance in Iraqi public production companies according to perceptions The study sample.

### (3) a test The third hypothesis:

- the premise Third: There are no statistically significant differences in the perceptions of workers in public production companies of the impact of internal auditing on corporate governance due to demographic variables (age, job degree, academic qualification, number of years of job experience, academic specialization). The following sub-hypotheses are derived from this hypothesis:

– There are no statistically significant differences between age and perception of the impact of internal auditing on corporate governance.

- There are no statistically significant differences between the academic specialization and the perception of the impact of internal auditing on corporate governance.
- There are no statistically significant differences between the job grade and the perception of the impact of internal auditing on corporate governance.
- There are no statistically significant differences between the educational qualification and the perception of the impact of internal auditing on corporate governance.
- There are no statistically significant differences between the number of years of job experience and perception of the impact of internal auditing on corporate governance.

Table () To study the third hypothesis, the variance test was conducted between demographic variables as independent variables and the impact of internal auditing on corporate governance as a dependent variable.

Moral level	ValuesFcalculated	the independent variable
0.481	0.832	the age
0.211	1,546	Educational qualification
0.083	2,053	Functional class
0.231	1,468	Number of years of job experience
0.039	2,675	Academic specialization

Table () a study of the effect size of demographic variables and the impact of internal auditing on corporate governance

effect size	variable
0.753	the age
0.723	Educational qualification
1,553	Functional class
1,147	Years of Experience
1,645	Academic specialization

**By looking at the table (...) it turns out** There were no statistically significant differences at the level of significance 0.05 Among the average responses of the participants in the study about the role of internal auditing in achieving corporate governance for internal auditors are attributed to the following personal variables (educational qualification, Functional class, age, number of years of experience), except Academic specialization Where there were statistically significant differences between the average responses of the respondents. **Thus, it appears that there is no Statistically significant effect** In the perceptions of workers in public production companies of the impact of internal auditing on corporate governance due to demographic variables (age, Degree functional, qualification scientific, Number Years' Experience functional, specialization academic). **Where** that effect size To measure the impact of the internal audit process on Z Governance in the companies under study, which are the public production companies in Iraq, ranges between 0.723 And the 1.645, from medium to very large.

## Conclusion:

Through the previous ideas, we discussed the concept of corporate governance and internal auditing, and then worked to find the link that allows internal auditing to submit to the requirements of applying corporate governance and its foundations and rules aimed at directing the activities of the internal auditor towards activating corporate governance and its principles. The emergence of corporate governance principles has also led to a change in the concept of internal auditing from the traditional concept of evaluating the efficiency and effectiveness of systems within companies to leading and managing corporate risks after identifying them. Among the most important results we reached are the following:

- Prepare internal audit serve as an independent, objective assurance and advisory activity designed to add value and improve an organization's operations, as such helps the organization achieve its goals by providing a structured and disciplined approach to assessing and improving the effectiveness of risk management, control and governance processes. And the governance has become a topic prominently in recent times, especially after the global financial crisis of 2008, which contributed to weak governance and control systems over companies, as such evidence is mounting of the critical role it plays in determining the well-being of society.
- The internal audit function is not limited to accountability to the management of the company but also has a fiduciary responsibility towards the shareholders and stakeholders as well as towards the external community. And in fact, the internal audit is an independent monitoring and control mechanism on whether the credit party is effectively fulfilling its economic responsibilities. And with the development of market economy and the progress of enterprise economic management, the issue of internal audit is not limited to the financial aspect, but also extends to the field of management.
- that the corporate governance mechanism is the core of the modern enterprise system, and its effectiveness or otherwise is an important factor affecting the company's performance. And the reasonable and effective internal audit is a prerequisite for good corporate governance and forms one of the four pillars of corporate governance, together with the board of directors, senior management and external audit.
- Presence Effect with indication Statistic Belonging to perceptions staff in companies Productivity the public in Iraq Around Bezel Availability aspects Strengthen audit procedure. Where that average Arithmetic To measure aspects Strengthen process audit procedure companies Shop the study, Which companies Productivity the public in Iraq ranges between 2.38 and 1.78, as such that size effect ranged between 0.735 to 1.001 Which From Medium to big Than Indicates to me Mile perceptions the sample surveyed Toward verification dimensions audit procedure which Include: (Planning and timing and scope checking, statement risk finance, discount costs process audit). and this is Prepare an indicator On Bezel effectiveness aspects Strengthen audit procedure in companies Productivity the public Iraqi According for perceptions a sample the study.
- Presence Statistically significant effect to the effect of a for internal audit performed by the internal auditor on me Investigation Corporate governance in public production companies in Iraq. Where is the arithmetic mean of a measure Effect audit process The internal governance of the companies under study, namely Public production companies in Iraq ranged between 2.25 and 1.47, And the size of the effect ranged Between 0.699 and 0.916, that is, medium to large Which indicates the tendency of perceptions The researched sample Toward Check the dimensions of internal

audit, which include: (Planning, timing and scope of the audit, financial risk profile, reducing audit costs) The impact of internal auditing on the corporate governance under study. This is an indication for the effectiveness of internal audit influencing governance in Iraqi public production companies according to perceptions. The study sample.

– There were no statistically significant differences at the level of significance 0.05 among the average responses of the participants in the study about the role of internal auditing in achieving corporate governance for internal auditors are attributed to the following personal variables (educational qualification, functional class, age, number of years of experience), except academic specialization. Where there were statistically significant differences between the average responses of the respondents. Thus, it appears that there is no statistically significant effect in perceptions. Workers in public production companies to impact of internal audit corporate governance due to variables demographic (age, Degree functional, qualification scientific, Number Years Experience functional, specialization Academic). where effect size To measure the impact of the internal audit process on Z Governance in the companies under study, which are the public production companies in Iraq, ranges between 0.723 and 1.645, from medium to very large.

In light of these results we recommend with the following:

- necessity expansion Function audit procedure and expand it to fit in environment governance companies modern. Include jobs traditional the four to check procedure Function supervisory and a job Censorship and a job Evaluation And the job advisory.
- necessity that target audit procedure addition Values to me business, as Function the basic to check procedure existing on me governance companies Should that be without Doubt addition Values.
- necessity that Takes Application principles governance in consideration Effect the changes environmental that Pass changes A quick and continuous in all aspects Economic and political social.
- necessity detection About data discloser about her in a way honest and fair and objective between all contributors and owners interest in the time the appropriate And without delay.
- on me A committee audit construction Function Audit internal characterized independently And advance evaluation controlled internal and issues other with a goal a plus effectiveness A committee audit quality reports Finance.

## The Reviewer

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