THE IMPACT OF INTERNAL CONTROL IN IRAQI MINISTRIES ON THE PREPARATION AND IMPLEMENTATION OF THE GENERAL BUDGET

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ABSTRACT

Objectives: This study aimed to identify the impact of internal control, represented by the independence of internal control, professional competence of internal auditors, and internal control activities, in the Iraqi ministries on the preparation and implementation of the general budget.

Methods: The study methodology relied on the descriptive and analytical approach. The researcher used the questionnaire as the main tool for this study. The study population consists of employees of various Iraqi ministries.

Results: The results showed a high degree of independence of internal control, indicating that internal control implementation policies are being executed to avoid conflict of interest situations. The internal control staff also has the authority to access all records and files without restrictions. Additionally, the results highlighted the significant role of professional competence of internal auditors in implementing the general budget. However, the internal control activities were only moderately effective in implementing the general budget. This suggests that most of the study sample indicated that internal control does not submit periodic reports to senior management and the board regarding management reports on the performance of its plan.

Conclusion: The study recommended developing a code of professional conduct to help enhance the values of integrity and transparency among auditors of internal control units in Iraqi ministries. This is aimed at improving the effectiveness of internal control activities and ensuring better implementation of the general budget.

Keywords: Internal Control, Preparation, and Implementation of the General Budget, Professional Competence of Internal Auditors.

O IMPACTO DO CONTROLE INTERNO NOS MINISTÉRIOS IRAQUIANOS NA PREPARAÇÃO E IMPLEMENTAÇÃO DO ORÇAMENTO GERAL

RESUMO

Objectivos: Este estudo teve como objectivo identificar o impacto do controlo interno, representado pela independência do controlo interno, competência profissional dos auditores internos e actividades de controlo interno, nos ministérios iraquianos na preparação e implementação do orçamento geral.


Resultados: Os resultados demonstraram um elevado grau de independência do controlo interno, indicando que políticas de implementação de controlos internos estão sendo executadas para evitar situações de conflito de interesses. A equipe de controlo interno também tem autoridade para acessar todos os registos e arquivos sem restrições. Além disso, os resultados destacaram o papel significativo da competência profissional dos auditores internos na execução do orçamento geral. Contudo, as atividades de controlo interno foram apenas moderadamente eficazes na execução do orçamento geral. Isto sugere que a maior parte da amostra do estudo indicou que o controlo

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internal não apresenta relatórios periódicos à alta administração e ao conselho sobre relatórios gerenciais sobre o desempenho do seu plano.

**Conclusão:** O estudo recomendou o desenvolvimento de um código de conduta profissional para ajudar a melhorar os valores de integridade e transparência entre os auditores das unidades de controlo interno nos ministérios iraquianos. Isto visa melhorar a eficácia das atividades de controlo interno e garantir uma melhor execução do orçamento geral.

**Palavras-chave:** Controlo Interno, Preparação e Execução do Orçamento Geral, Competência Profissional dos Auditores Internos.

**EL IMPACTO DEL CONTROL INTERNO EN LOS MINISTERIOS IRAQUÍES EN LA PREPARACIÓN Y EJECUCIÓN DEL PRESUPUESTO GENERAL**

**RESUMEN**

**Objetivos:** Este estudio tuvo como objetivo identificar el impacto del control interno, representado por la independencia del control interno, la competencia profesional de los auditores internos y las actividades de control interno, en los ministerios iraquíes en la preparación e implementación del presupuesto general.

**Métodos:** La metodología del estudio se basó en el enfoque descriptivo y analítico. El investigador utilizó el cuestionario como herramienta principal para este estudio. La población del estudio está formada por empleados de varios ministerios iraquíes.

**Resultados:** Los resultados mostraron un alto grado de independencia del control interno, indicando que se están ejecutando políticas de implementación de control interno para evitar situaciones de conflicto de intereses. El personal de control interno también tiene la autoridad de acceder a todos los registros y archivos sin restricciones. Además, los resultados destacaron el importante papel de la competencia profesional de los auditores internos en la implementación del presupuesto general. Sin embargo, las actividades de control interno fueron sólo moderadamente efectivas en la ejecución del presupuesto general. Esto sugiere que la mayor parte de la muestra del estudio indicó que el control interno no presentó informes periódicos a la alta dirección y al consejo sobre los informes de la gestión sobre el desempenho de su plan.

**Conclusión:** El estudio recomendó desarrollar un código de conducta profesional para ayudar a mejorar los valores de integridad y transparencia entre los auditores de las unidades de control interno de los ministerios iraquíes. Su objetivo es mejorar la eficacia de las actividades de control interno y garantizar una mejor ejecución del presupuesto general.

**Palabras clave:** Control Interno, Elaboración y Ejecución del Presupuesto General, Competencia Profesional de los Auditores Internos.

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**1 INTRODUCTION**

The general budget is considered the primary means through which the state can achieve its goals through the appropriations it allocates and the revenues it estimates. The budget has become of great importance in the political, economic, and social life of the state.

The stage of implementing the state's general budget is considered the most important and most dangerous stage and is intended to put its various items into effect. This stage is
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concerned with the executive authority, and this implementation is supervised by the Ministry of Finance, which is considered the most important part of the state’s administrative apparatus. This stage represents the transition of the general budget from theory to concrete practical application. The government, represented by the Ministry of Finance, is responsible for collecting and collecting revenues estimated in the budget and is also responsible for spending on aspects included in the budget.

In order to ensure the implementation of the budget in its specified aspects, it was necessary to find various means of monitoring the budget to ensure that those responsible for implementation take into account and respect all financial rules while exercising their duties. The aim of oversight is to ensure that the implementation of the budget has been carried out in the specified manner and accordance with the policy established by the executive authority. It has been approved by the legislature.

Today, internal control has become the fourth pillar of financial management, which analyzes actual facts and results, evaluates them, and compares them with plans and the objectives, policies, procedures, and programs they contain. Today, the oversight process goes beyond merely discovering deviations and scientific problems to include aspects related to evaluating impacts and results and developing individual and organizational performance. This ensures the smooth running of business efficiently and effectively.

Governmental and private agencies in Iraq have realized the importance of keeping up with modern accounting control systems in various business facilities. We clearly see this tremendous progress in interest in this subject (Al-Najjar, 2006).

The internal control that takes place within the institution and at all administrative levels and the individuals working in it regardless of their jobs, and in some large institutions there is an administrative unit specialized in this work (Al-Samarrai, 2016).

1.1 THE PROBLEM OF STUDY

The problem of the study lies in the lack of clarity of the internal control elements among most auditors, which leads to a weak and varying level of care exerted in examining and evaluating these elements of the audited economic unit, and this leads to a defect in the planning of audit procedures and, consequently, a defect in the implementation of the general budget of these ministries and the results delivered (Malik, 2016).

A study (Malik, 2016) also pointed out that the subordination of internal audit to the senior management of government units does not allow it to fulfill its responsibilities and
represents an obstacle to its supervisory work, and a study (Salman, 2022) concluded that the general budget represents a system with inputs, processing and outputs, and control over the implementation of that budget requires that internal audit bodies work with the concept of performance efficiency control to reduce the phenomenon of financial corruption, as recommended by a study (Al-Bajari, 2015) the study of the weak role of internal control in the control of the general budget in government ministries as a result of a decrease The professional capabilities of internal controllers and the realization of the senior management of government ministries that internal control activities have a simple in the activities of government units, the lack of sufficient independence of internal controllers, in addition to the lack of planning of the internal control process. Based on the above, the problem of the study is to answer the following main question: What is the impact of internal control represented by (the independence of internal control, the professionalism of internal observers, and internal control activities) in the Iraqi ministries on the preparation and implementation of the general budget

To answer the main question, the following sub-questions were formulated:

1. What are the implications of providing independence for internal control over its role in monitoring the implementation of the general budget in Iraqi ministries?
2. Is there a relationship between the professionalism of internal observers and their role in monitoring the implementation of the general budget in the Iraqi ministries?
3. What are the challenges that internal control can face when performing its supervisory role in the implementation of the general budget in the Iraqi ministries?

2 PREVIOUS STUDIES

(Palanisamy, 2015) indicates that the internal control system as a concept appeared after the issuance of the Foreign Corrupt Practices Act of the United States of America in (1977). The law indicated the need for companies to adhere to an effective control system to provide guarantees regarding the implementation of transactions and the recording of data, allowing the preparation of financial reports in accordance with accounting principles. Generally accepted. The Committee of Sponsoring Organizations (COSO) is a special committee for sponsoring organizations and is made up of the American Accounting Association, the American Institute of Certified Public Accountants, the Institute of Financial Directors, the Institute of Internal Auditors, and the National Association of Accountants. It is dedicated to guiding management, executive units, and ethics that accompany work in organizations and oversight. Internal
activities and special projects for managing risks, cases of corruption and fraud, and preparing financial reports.

(Al-Shanti, 2013) defined internal control as: “a group of parts that interact and integrate with each other and with their environment to achieve a specific goal or goals.” He defined it (Ali, 2011) as “a group of parts and subsystems that interact between each other, and between them and the system that includes them, each part of which depends on the other in achieving the goals that this total system seeks.” The main objectives of internal control are the following:

1. Organizing the project to clarify the authorities, powers, and responsibilities;
2. Protecting project assets from embezzlement and manipulation;
3. Ensuring the accuracy of accounting data so that it can be relied upon in drawing up administrative policies and decisions;
4. Raising the level of production efficiency;
5. Encouraging compliance with administrative policies and decisions;
6. Assessing implementation levels in different departments in the facility (Salama, 2012).

The Iraqi government’s internal control system consists of many controls, procedures, and legislation in the financial field, and these controls include (Al-Khatib, 2013):

1. Legislative controls: Many Iraqi legislations help control the government’s assets, expenditures, and revenues, such as the Constitution of the Republic of Iraq for the year 2005, which devoted a special chapter to financial affairs, and the Economic Department, which was established in 2005, which outlines all the procedures that must be adhered to when receiving revenues. When spending, the controls for recording and reporting it, and the controls for preserving cash, as well as the Ministry of Works and Housing Regulation No. 20 of 1963, which specifies the procedures for submitting, implementing, and receiving government tenders;
2. The general budget: The Iraqi constitution obligated the issuance of the general budget according to a law in which the estimated expenditures for the coming solar year are determined, and obligated not to exceed the allocations allocated for programs and activities, and specified controls with terms of reference for transferring the allocations;
3. Supervisory controls: There are many supervisory procedures, such as self-control, which is based on the distribution of tasks, responsibilities, and powers, corresponding records, immediate and periodic matches, inventory operations, and supervisory bodies, such as internal control departments that continuously audit all financial operations in the unit, and oversight. The Ministry of Finance, which monitors the unit’s allocations and spending therefrom, monitors periodic reports, and the external oversight bodies
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represented by the Audit Bureau, which monitors state agencies and submits its report to the National Assembly;

4. Selection and training of human resources: Government agencies select their employees through nominations from the Civil Service Bureau according to the required specializations. Candidates for the job apply for tests and interviews to select the best, and they are also developed through continuous training and qualification.

As for the general budget, it is an estimate of revenues and expenditures for the coming fiscal year, and it is important to have a balance between them. The concept of a budget is often linked to the state and is equivalent in the English language to the term “Budget” (Al-Maaita, 2015). The state’s general budget represents the government’s economic, financial, and social program or plan for the next fiscal year. The government’s general budget, as stated in Financial Regulation No. (3) of 1994, represents (Al-Shehadeh et al., 2012) the total revenues generated from taxes, fees, royalties, profits, surpluses, aid, and any other funds. It is refunded to any department and the total expenses are allocated to meet the obligations achieved under the applicable legislation.

The general budget is considered the main tool that expresses the state’s financial policy to achieve economic and social goals, and the development of the role of states in modern societies, especially the economic ones, has led to the great importance given to the general budget as an important and influential tool in the process of economic and social development (Al-Wardat and Al-Dabas, 2011).

1. An effective tool for control: The budget aims to assist in achieving more effective control over implementation processes, ensure the achievement of the objectives that were identified in the planning stage, and ensure that all parts of the organization operate in a manner consistent with the policies and objectives of the economic unit, and since the budget and the estimates it contains Plans can represent standards for evaluating actual performance by comparing it to the plans drawn up, to ensure that what has been implemented represents what should have been implemented in accordance with the performance standards contained in the budget;

2. An effective tool for implementing financial policies at the state level: For example, in times of inflation, excess demand can be absorbed by raising taxes and reducing public spending, while in times of recession, the budget can be relied upon to increase actual demand by reducing taxes and increasing public spending;

3. An effective tool for coordination between activities and various government agencies: It means coordination and harmonization between all factors, variables, and surrounding
circumstances affecting the work of the economic unit, including its internal conditions, divisions, and functions. This requires communication and involvement of workers not only in implementation but also in preparation and in a way that motivates them towards raising production efficiency. Achieving what is expected to be implemented and the success of the plans drawn up;

4. A social tool: through which income can be redistributed, by paying taxes on high incomes in exchange for providing educational, health, and social services to those with income;

5. A tool to protect local industry: imposing taxes on products and services that are similar locally.

3 METHODOLOGY OF STUDY

To achieve the objectives of the study and answer its questions, the researcher relied on the descriptive analytical approach that fits with the study and its objectives to describe the phenomenon subject of the study, represented by the impact of internal control in Iraqi ministries on the preparation and implementation of the general budget. Using the statistical analysis program SPSS (Statistical Package for the Social Sciences) and appropriate statistical tests in order to test the questions and hypotheses of the study and then reach the necessary results and make recommendations.

3.1 STUDY POPULATION AND SAMPLE

The study population consists of employees of various Iraqi ministries. The study was conducted on a simple random sample of (115) auditors in the internal control departments. Questionnaires were distributed to them. After the process of distributing the questionnaires, (100) questionnaires were retrieved and (6) questionnaires were excluded because they were not valid for analysis purposes. The number of questionnaires subject to the analysis process was (94) questionnaires, i.e. (81.7%) of the questionnaires that were distributed, using the statistical program (SPSS). (56) of the respondents were male, i.e. (59.6%), and (38) of the respondents were female, (40.4%). Most of the sample members were aged (25-under 35 years), i.e. (37.2%), while the lowest percentage was among those aged (less than 25 years), (10.6%). Most of the members of the study population are people with long experience, as their percentage reached (36.2%), and they have experience of 15 years or more, which indicates the
ability of these individuals to comprehend the questionnaire items, due to their previous experience in their field of work.

Most of the community members held a high diploma degree, meaning (36.2%) of the community, while the number of Master’s degree respondents was (29) individuals, with a percentage of (30.9%). This indicates the ability of these individuals to perform the tasks assigned to them.

Most of the sample members were from the academic specialization of accounting, meaning (45.7%) of the population, while the number of respondents whose specialization was economics was (25) individuals, with a percentage of (26.6%). This indicates that the study sample members possess sufficient knowledge of the internal control procedures followed in Implementing the general budget of ministries. Most of the community members whose job title was auditor were (43.6%) of the sample, while the number of respondents whose job title was head of department was (22) individuals, with a percentage of (23.4%). This indicates the ability of these individuals to follow up on internal control procedures.

The table above shows that most of the study sample members held the JCPA certificate, as their number reached (32) and their percentage reached (34%), while the percentage of respondents who held the CPAA certificate decreased, reaching (3.2%). This indicates that the JCPA certificate enables auditors of the Audit Department of The Ministry of Interior can obtain all the information necessary to implement the Ministry’s general budget.

3.2 STUDY TOOL

The researcher prepared a questionnaire for the current study to achieve the objectives of the study and answer its questions, and the researcher used his evaluation phrases to determine the answers of the study community on the five-point Likert Scale (Likert Scale), which is a percentage scale consisting of five degrees (1-5) to determine the degree of approval of the study community members on each paragraph of the study tool and converted them into quantitative data that can be measured statistically.

3.2.1 Reliability of the study instrument

To ensure the reliability of the instrument, the internal consistency was calculated by the Cronbach-Alpha equation, the table below shows these coefficients, and these ratios were considered suitable for the purposes of this study.
Table 1

Values of the Cronbach internal consistency coefficient Alpha.

<table>
<thead>
<tr>
<th>Domains</th>
<th>Cronbach internal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence of internal control</td>
<td>0.82</td>
</tr>
<tr>
<td>Professionalism of internal controllers</td>
<td>0.76</td>
</tr>
<tr>
<td>Internal control activities</td>
<td>0.80</td>
</tr>
<tr>
<td>Efficiency of control over the implementation of the general budget</td>
<td>0.81</td>
</tr>
<tr>
<td>Total degree</td>
<td>0.93</td>
</tr>
</tbody>
</table>

Source: Prepared by Authors (2024)

It is clear from the previous table that the field (quality of internal control reports) obtained the highest coefficient, reaching (0.84), and the field (professional competence of internal auditors) obtained the lowest coefficient (0.76), and the overall degree of reliability coefficient for the scale as a whole reached (0.93), which are acceptable percentages. Therefore, all values are greater than (0.60) (Sekaran, 2014), and this is an indication of the consistency between the items of the study tool, the reliability of the study tool, and the possibility of relying on it to conduct statistical analysis.

3.3 ADAPTING THE STUDY MODEL TO THE STATISTICAL METHODS USED

To test the suitability of the study model for linear regression analysis and laboratory tests, multiple linear regression and autocorrelation were tested, as follows:

3.3.1 Multicollinearity test

This phenomenon indicates the presence of an almost perfect linear correlation between two or more variables, which inflates the value of the coefficient of determination 2R and makes it more than its actual value. Therefore, a coefficient value was calculated between the independent variables, according to the study model, and the results of the study were as follows:
Table 2
Correlation matrix of independent variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Independence of internal control</th>
<th>Professional competence of internal auditors</th>
<th>Internal control activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence of internal control</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional competence of internal auditors</td>
<td>0.560**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Internal control activities</td>
<td>0.183*</td>
<td>0.397**</td>
<td>1</td>
</tr>
</tbody>
</table>

(**) Significant at a significance level of 0.01 (*) Significant at a significance level of 0.05
Source: Prepared by Authors (2024)

It is clear from the previous table (2) that the highest correlation coefficient was between the two variables (independence of internal control) and (professional competence of internal auditors), which is less than (0.80). This indicates the absence of the phenomenon of multiple linear correlation between the variables. The value of the correlation coefficient exceeding (0.80) is considered an indication of the presence of the problem of high multicollinearity (Guajarati, 2003).

To confirm the previous result, the variance inflation factor was calculated for each of the independent variables to ensure the presence of multiple linear correlations, and the results were as follows:

Table 3
Values of skewness coefficients and variance inflation (VIF) test values between independent variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Contrast factor VIF</th>
<th>Inflation factor VIF</th>
<th>Tolerance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence of internal control</td>
<td>1.696</td>
<td>0.590</td>
<td></td>
</tr>
<tr>
<td>Professional competence of internal auditors</td>
<td>1.970</td>
<td>0.508</td>
<td></td>
</tr>
<tr>
<td>Internal control activities</td>
<td>1.647</td>
<td>0.607</td>
<td></td>
</tr>
</tbody>
</table>

Source: Prepared by Authors (2024)

Table (3) shows that the values of the coefficient of variation inflation were all greater than the number 1 and less than the number 2, and the Tolerance value was limited between the number 0.1 and the number 1, indicating that there was no problem with multiple linear correlations between the study variables.
3.4 FIRST: DESCRIPTION OF THE INDEPENDENT VARIABLES: INTERNAL CONTROL

3.4.1 The first axis: independence of internal control

A means and deviations in the field of internal control independence were extracted, and Table (4) shows this.

Table 4
A means and standard deviations for internal control independence are arranged in descending order according to the means.

<table>
<thead>
<tr>
<th>Paragraphs</th>
<th>Score</th>
<th>No.</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal control implementation policies are implemented to ensure</td>
<td>1</td>
<td>4</td>
<td>4.27</td>
<td>0.997</td>
<td>High</td>
</tr>
<tr>
<td>avoiding conflict of interest situations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The internal control staff has the authority to access all records and</td>
<td>2</td>
<td>3</td>
<td>4.17</td>
<td>0.798</td>
<td>High</td>
</tr>
<tr>
<td>files without restrictions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal control reports include all material and essential facts without</td>
<td>3</td>
<td>2</td>
<td>4.13</td>
<td>0.870</td>
<td>High</td>
</tr>
<tr>
<td>being subject to pressure from other departments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal control has an appropriate location in the organizational</td>
<td>4</td>
<td>1</td>
<td>3.99</td>
<td>0.810</td>
<td>High</td>
</tr>
<tr>
<td>structure of Iraqi ministries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The reports and results of the work of the Internal Control Department</td>
<td>5</td>
<td>5</td>
<td>3.94</td>
<td>0.890</td>
<td>High</td>
</tr>
<tr>
<td>are submitted to the highest authority in the Ministry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal oversight receives adequate support from senior management in</td>
<td>6</td>
<td>6</td>
<td>3.86</td>
<td>0.887</td>
<td>High</td>
</tr>
<tr>
<td>Iraqi ministries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independence of internal control</td>
<td></td>
<td></td>
<td>4.05</td>
<td>0.527</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Prepared by Authors (2024)

Table (4) shows that the arithmetic averages ranged between (3.86 - 4.27), where Paragraph No. (4), which states, “Internal control implementation policies are implemented to ensure avoiding falling into conflict-of-interest situations,” came in first place, with an average of mean (4.27) To a high degree, and this may be due to the oversight policies and procedures that internal control department auditors adhere to avoid falling into conflict-of-interest situations.

While Paragraph No. (6), which reads, “Internal oversight receives adequate support from senior management in the Iraqi ministries,” came in last place, with a mean of (3.86) and a high degree. This indicates that senior management in the Iraqi ministries provides adequate support to the internal oversight department. The mean for the independence of internal control as a whole was (4.05), with a high degree.
3.5 THE SECOND AXIS: IS THE PROFESSIONAL COMPETENCE OF INTERNAL AUDITORS

The means and standard deviations of the internal auditors’ professional competence items were extracted, and the table below shows this.

**Table 5**
*The means and standard deviations of the professional competence of internal auditors are arranged in descending order according to the means.*

<table>
<thead>
<tr>
<th>Score</th>
<th>No.</th>
<th>Paragraphs</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Internal control examinations are characterized by the necessary professional care in all their work to identify indicators that may indicate the commission of fraud and misrepresentation</td>
<td>4.13</td>
<td>0.845</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Internal control applies professional standards for internal control in performing its work</td>
<td>3.89</td>
<td>0.848</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>Internal auditors have the ability to interact with consultants and technicians from outside the internal control unit</td>
<td>3.89</td>
<td>1.052</td>
<td>High</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>The General Department of Internal Control provides internal auditors with training on recent developments in the auditing profession</td>
<td>3.79</td>
<td>0.993</td>
<td>High</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>Internal oversight work is assigned to people whose qualifications and academic specializations are compatible with the nature of oversight work</td>
<td>3.78</td>
<td>0.974</td>
<td>High</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Internal auditors are technically qualified through continuous professional development</td>
<td>3.59</td>
<td>1.149</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Professional competence of internal auditors: 3.84, 0.536, High

Source: Prepared by Authors (2024)

Table (5) shows that the arithmetic averages ranged between (3.59 - 4.13), as in paragraph No. (1) states, “Internal control examinations are characterized by the necessary professional care in all their work to identify indicators that may indicate the commission of fraud and misrepresentation.” It ranked first, with an arithmetic average of (4.13), with a high degree. This indicates that the auditors of the Internal Control Department have the professional qualifications required to detect cases of fraud and misrepresentation, while Paragraph No. (6), which reads, “Internal auditors are qualified technically through continuous professional development,” ranked last, with an average score reached (3.59) with a moderate degree, and this indicates that internal auditors are in constant need of professional development in the field of work. The arithmetic average of the professional competence of internal auditors as a whole was (3.84).
3.6 THE THIRD AXIS: INTERNAL CONTROL ACTIVITIES

Mean averages and standard deviations for internal control activities were extracted, and the table below shows this.

Table 6
A means and standard deviations for internal control activities are arranged in descending order according to the arithmetic means

<table>
<thead>
<tr>
<th>Score</th>
<th>No.</th>
<th>Paragraphs</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>Internal control clearly defines its scope of work</td>
<td>3.80</td>
<td>0.911</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>Internal control is provided with the necessary resources to successfully implement its plan</td>
<td>3.77</td>
<td>0.860</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>Internal control plans the control process in coordination with the Ministry’s objectives</td>
<td>3.66</td>
<td>1.205</td>
<td>Medium</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>Internal control develops its plans based on identifying and studying potential risks</td>
<td>3.60</td>
<td>1.110</td>
<td>Medium</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Internal control obtains approval of the control work plan before implementing its activities</td>
<td>3.15</td>
<td>1.047</td>
<td>Medium</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Internal control submits periodic reports to senior management and the Board of Directors on the achieved performance of its plan</td>
<td>2.84</td>
<td>1.230</td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal control activities</td>
<td>3.46</td>
<td>0.645</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Source: Prepared by Authors (2024)

Table (6) shows that the mean averages have ranged between (2.84 - 3.80), where paragraph number (3), which states that "internal control clearly defines its scope of work" came in the first place with an arithmetic average of (3.80) and a high degree, this indicates that the internal control department determines its mechanism of work and the procedures followed in its work, while paragraph number (6), which reads "Internal Control submits periodic reports to senior management and the board of directors on the performance of its plan" came in last place with an arithmetic average of (2.84), and to an average degree, this indicates that the top management of the ministry does not follow the work of internal control on an ongoing basis. The mean average for internal control activities as a whole was (3.46).

3.7 DESCRIPTION OF THE DEPENDENT VARIABLE: PREPARATION AND IMPLEMENTATION OF THE GENERAL BUDGET

The calculation averages and standard deviations were extracted for the field of preparation and implementation of the general budget, the table below shows this.
Table 7

Mean averages and standard deviations preparation and implementation of the general budget in descending order by mean averages

<table>
<thead>
<tr>
<th>Score</th>
<th>No.</th>
<th>Paragraphs</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5</td>
<td>It is ensured that the disbursement of government expenditures is consistent with the allocated allocations and the established plan</td>
<td>3.87</td>
<td>1.119</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>7</td>
<td>All administrative levels are made aware of the costs of their activities and develop a sense of control over those costs</td>
<td>3.79</td>
<td>1.240</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>Figures from previous years' budgets are used as guidance when preparing new budgets</td>
<td>3.74</td>
<td>1.163</td>
<td>High</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Spending remains within the limits of the approved appropriations in the general budget</td>
<td>3.66</td>
<td>.578</td>
<td>Medium</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>Professional precision is taken into account in preparing the general budget</td>
<td>3.64</td>
<td>1.012</td>
<td>Medium</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>The Ministry compares actual performance with planned performance according to the budget</td>
<td>3.60</td>
<td>1.271</td>
<td>Medium</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
<td>The budget is prepared in a way that ensures continuous improvement of the estimation process for the items contained in the budget</td>
<td>3.58</td>
<td>.630</td>
<td>Medium</td>
</tr>
<tr>
<td>8</td>
<td>9</td>
<td>Tabulating revenues and expenses in budgets facilitates the budget implementation process</td>
<td>3.52</td>
<td>1.412</td>
<td>Medium</td>
</tr>
<tr>
<td>9</td>
<td>8</td>
<td>Any necessary amendments to the implementation of budgets are made during the implementation process based on the instructions of the flexible administrative structure related to exceptional cases</td>
<td>3.46</td>
<td>1.396</td>
<td>Medium</td>
</tr>
<tr>
<td>10</td>
<td>3</td>
<td>The budget implementation process is consistent with the laws and regulations</td>
<td>3.37</td>
<td>.706</td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Preparing and implementing the general budget</td>
<td>3.62</td>
<td>.681</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Source: Prepared by Authors (2024)

Table (7) shows that the arithmetic averages ranged between (3.37-3.87), where paragraph No. (5), which states, “It shall be ensured that the disbursement of government expenditures is consistent with the allocated allocations and the established plan,” came in first place, with a mean average of (3.87), with a high degree, and this indicates that expenditures are spent according to the allocations allocated in the budget, while Paragraph No. (3), which reads, “The process of implementing the budget is consistent with the laws and regulations regulating” came in last place, with a mean of (3.37), and with a moderate degree, and this indicates, the Internal Control Department may sometimes not comply with the laws and regulations governing the implementation of the budget in the Ministry because any necessary amendments to the budget may be made. The mean average for the efficiency of oversight over the implementation of the general budget as a whole was (3.62).
3.8 TESTING THE STUDY HYPOTHESES

The sub-hypotheses branching from this hypothesis were subjected to simple linear regression analysis and the results were as follows:

H01: There is an impact of the independence of internal control at a significance level (0.05≥α) and its role in monitoring the implementation of the general budget in the Iraqi ministries.

Table 8

Results of testing the impact of the independence of internal control and its role in monitoring the implementation of the general budget in the Iraqi ministries.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model Summary</th>
<th>ANOVA</th>
<th>coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency of oversight of the implementation</td>
<td>R Correlation</td>
<td>R2 coefficient</td>
<td>F</td>
</tr>
<tr>
<td>of the general budget</td>
<td>coefficient</td>
<td>of determination</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.296</td>
<td>0.087</td>
<td>12.725</td>
</tr>
</tbody>
</table>

*The effect is statistically significant at the level (0.05≥α)

Source: Prepared by Authors (2024)

The results of Table (8) indicate that the value of (R = 0.296), which means that there is a positive relationship between (independence of internal control) and (efficiency of control in implementing the general budget). It turns out that the value of the coefficient of determination (R2 = 0.087), which means that (independence of internal control) explained an amount of (8.7%) of (efficiency of control in implementing the general budget) with other factors remaining constant. It also appears that the value of (F) reached (12.725) at the confidence level (Sig = 0.001), and this confirms the significance of the regression at the level of (0.05≥α) and at one degree of freedom.

It is also clear from the coefficients table that the value of (B = 0.541) and the value of (t = 3.56) are at a confidence level (Sig = 0.00). This confirms the significance of the coefficient at the level of (0.05≥α), and this means that an increase of one degree in the level of interest in the independence of oversight of The Ministry of Interior leads to the quality of oversight of the implementation of the general budget in the Iraqi ministries by (0.541).

Based on the above, we accept the first hypothesis:
There is an impact of the independence of internal control at a significance level (0.05≥α) and its role in monitoring the implementation of the general budget in the Iraqi ministries.

3.9 THE SECOND SUB-HYPOTHESIS H02

There is an impact of the professional competence of internal auditors at a significance level (0.05≥α) and their role in monitoring the implementation of the general budget in the Iraqi ministries.

**Table 9**

**Results of testing the impact of the professional competence of internal auditors in implementing the general budget in Iraqi ministries.**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model Summary</th>
<th>ANOVA</th>
<th>Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency of oversight of the implementation of the general budget</td>
<td>R Correlation coefficient</td>
<td>R2 coefficient of determination</td>
<td>F</td>
</tr>
<tr>
<td>0.661</td>
<td>0.436</td>
<td>102.944</td>
<td>1</td>
</tr>
</tbody>
</table>

*The effect is statistically significant at the level (0.05≥α)

Source: Prepared by Authors (2024)

The results of Table (9) indicate that the value of (R = 0.661), which means that there is a positive relationship between (the professional competence of internal auditors) and (the efficiency of oversight in implementing the general budget). It turns out that the value of the coefficient of determination (R2 = 0.436), which means that (the professional competence of internal auditors) explained an amount of (43.6%) of (the efficiency of oversight of the implementation of the general budget) with other factors remaining constant. It also appears that the value of (F) reached (102.944) at the confidence level (Sig = 0.001), and this confirms the significance of the regression at the level of (0.05≥α) and at one degree of freedom.

It is also clear from the coefficients table that the value of (B = 1.11) and the value of (t = 10.146) are at a confidence level (Sig = 0.00). This confirms the significance of the coefficient at the level of (0.05≥α), and this means that an increase of one degree in the level of interest in professional competence for internal auditors leads to the quality of oversight of the implementation of the general budget in the Iraqi ministries by a ratio of (1.11).
Based on the above, we accept the second hypothesis:

There is an impact on the professional competence of internal auditors at a significance level (0.05≥α). And its role in monitoring the implementation of the general budget in the Iraqi ministries.

3.10 THE THIRD SUB-HYPOTHESIS H₀₃

There is an impact of internal control activities at a significance level (0.05≥α) and its role in monitoring the implementation of the general budget in the Iraqi ministries.

Table 10
Results of testing the impact of internal control activities on implementing the general budget in Iraqi ministries

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model Summary</th>
<th>ANOVA</th>
<th>coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency of oversight of the implementation of the general budget</td>
<td>R Correlation coefficient</td>
<td>R² coefficient of determination</td>
<td>F</td>
</tr>
<tr>
<td>0.592</td>
<td>0.350</td>
<td>71.679</td>
<td>1</td>
</tr>
</tbody>
</table>

*The effect is statistically significant at the level (0.05≥α)
Source: Prepared by Authors (2024)

The results of Table (10) indicate that the value of (R = 0.592), which means that there is a positive relationship between (internal control activities) and (control efficiency in implementing the general budget). It turns out that the value of the coefficient of determination (R² = 0.350), which means that (internal control activities) explained an amount of (35%) of (the efficiency of control over the implementation of the general budget) with other factors remaining constant. It also appears that the value of (F) reached (71.679) at the confidence level (Sig = 0.00), and this confirms the significance of the regression at the level of (0.05≥α) and at one degree of freedom.

It is also clear from the coefficients table that the value of (B = 0.993) and the value of (t = 8.446) are at a confidence level (Sig = 0.00). This confirms the significance of the coefficient at the level of (0.05≥α), and this means that an increase of one degree in the level of interest in control activities of The Ministry of Interior leads to the quality of oversight of the implementation of the general budget in the Iraqi ministries by (0.993).

Based on the above, we accept the third hypothesis:
There is an impact of internal control activities at a significance level (α≥0.05) and its role in monitoring the implementation of the general budget in the Iraqi ministries.

4 DISCUSSING THE RESULTS OF THE STUDY

1. The results showed a high degree of independence of internal control, which indicates that internal control implementation policies are being implemented to ensure avoiding conflict of interest situations. The internal control staff also has the authority to access all records and files without restrictions, and internal control reports include all material and fundamental facts without being exposed to pressure from other departments. Internal control also enjoys a suitable position in the organizational structure of the Iraqi ministries, which contributed to the high degree of independence of internal control. This result did not agree with or differ from the results of any of the previous studies;

2. The results showed a high degree of the importance of the professional competence of internal auditors in implementing the general budget, and this indicates that the majority of the study sample members showed that internal control examinations are characterized by the necessary professional care in all their work to identify indicators that may indicate the commission of fraud and misrepresentation, and internal control also applies standards. The professionalism of internal control in performing its work, and internal auditors have the ability to interact with consultants and technicians from outside the internal control unit, and this result did not agree or differ with the results of any of the previous studies;

3. The results also showed that internal control activities were towards the average level in implementing the general budget. This indicates that the majority of the study sample members showed that internal control does not submit periodic reports to senior management and the Board of Directors on the completed performance of its plan. They also showed that internal control does not perform at the required level. To plan the oversight process in coordination with the Ministry’s objectives. Internal oversight does not develop its plans based on identifying and studying potential risks, and this result did not agree or differ from the results of any of the previous studies.
5 CONCLUSION

The results showed a high degree of independence of internal control. The results also showed a high degree of the importance of the professional competence of internal auditors in implementing the general budget and showed the emergence of a moderate degree of internal control activities in implementing the general budget.

1. Develop a code of professional conduct that helps enhance the values of integrity and transparency among auditors of internal control units in Iraqi ministries;

2. Paying attention to the human element as it is the basic foundation of the internal control system in its application and performance, in terms of properly selecting superiors and subordinates with academic qualifications, competence, and experience, according to clear and comprehensive foundations and standards for selection and appointment, and staying away from nepotism and favoritism because their impact is great on the citizen’s confidence in state agencies;

3. Supporting the internal control departments with an integrated functional staff and strengthening the staff with those with advanced degrees, especially with regard to information technology methods and tools, to ensure the implementation of the Ministry’s general budget according to the rules;

4. Holding training courses to train Internal Control Department auditors on how to follow up on the implementation of the general budget in order to reduce accounting problems.

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