



ACCOUNTING AUDITING IN PUBLIC SECTOR INSTITUTIONS

**Azadeh Barati¹, Saud Jabbar Muhammad ^{2,3}, Saadoun Jabbar Muhammad ^{2,3}, Mustafa Habib Naima ^{2,3},
Mustafa Taleb Najm ^{2,3}**

¹ Esteemed Republic of Iran, Shiraz Province

² Republic of Iraq, Dhi Qar Governorate

³ master's students Azad University Shiraz Branch

Article history:

Received: November 7th 2021

Accepted: December 7th 2021

Published: January 8th 2022

Abstract:

This research shows the importance and role of accounting audit in the public sector, as the public sector consists of large and complex units, and those units are managed by employees who have many different powers and responsibilities in those government units. In order for the wheel of life to proceed regularly within the governmental unit, the interest in different countries has increased towards the accountability of government employees, and this is due to the increasing popular demands and pressure of public opinion, where it is difficult to have an effective and efficient system for government administration centrally and locally without the availability of a kind of popular accounting accountability for which the audit was The government unit to check on it by measuring and evaluating the performance of government unit departments in acquiring resources and allocating them to the goals to be achieved.

The research aims to identify the concept of auditing and its role in preserving public money and to identify the rules of professional conduct for auditing accounts and to clarify the standards for the audit profession as well as the statement of the concept of governmental organizations and their characteristics and types. Finally, the concept of governmental auditing and its importance in government units was discussed.

As for the research problem, it lies in how government audit affects public sector units. Finally, it is concluded from this research that the audit of accounts is the cornerstone of every institution and the audit of accounts is based on a set of characteristics and information that are considered as the basis for the purpose for which it was developed, and is also based on a set of criteria that guide and give the framework in which it is active.

It also concludes that a good government audit leads to the prevention of corruption, fraud and manipulation and works to preserve public money and helps to discover non-economic practices within the government unit. It also shows that auditing the performance of the government unit properly is reflected in improving performance and increasing its efficiency, and thus improving the administrative system within the government unit and producing appropriate information that helps in making appropriate decisions.

Keywords: Accounting audit, government audit, government regulations, accounting accuracy standards.

INTRODUCTION

The continued development of economic activities and the separation of ownership from the administration as well as the expansion of the functions in various public units and institutions have led to the need to develop a reliable, independent and efficient system that works to protect the assets and property of the institution as well as to preserve its resources from manipulation and that system is "auditing"

Government scrutiny has arisen and evolved as a result of the increased need for the services it provides, it works to verify the validity and safety of financial, administrative and operational evidence of government

units and to know the extent to which the employees in these units are committed to the application of the rules, policies and procedures set to facilitate their various activities, in order to avoid various errors and protect their assets from manipulation and theft.

Government accuracy is based on a set of obligations and understandings, which are the basis for the purpose for which they were created, which is accompanied by the development of government structures, the interest of states towards the accountability of employees, due to the increasing



number of popular demands and the control of Public opinion makes it difficult to have an effective and efficient system of government management without some kind of popular accounting accountability for which government accuracy was to ensure that resources are privatized and exploited in a systematic manner to achieve the objectives of government units.

RESEARCH METHODOLOGY

Search problem

The problem with research lies in the next question.

What is the accounting audit and what role it plays in (public government sector)

To answer these questions, we must clarify

- Definition of accounting audit and statement of its objectives and importance

The concept of government audit, the study of its types and the statement of its role in the public sector.

The importance of research

The importance of research lies in demonstrating the effective role played by government accounting audit in controlling the resources of government units and reducing corruption and fraud within them as well as working to preserve public money from waste and exploitation.

Search objectives

The research aims at several important aspects

1. Learn about the concept of auditing and its role in maintaining public funds
2. 2- Identifying the rules of professional conduct for auditing and clarifying the criteria for the audit profession
3. 3- Identifying government organizations and their characteristics and types
4. 4- Identifying government audit and showing its importance in government units

Hypotheses

1. Accounting audit works to reduce corruption, fraud and manipulation of public money in the government sector
2. Government audit helps management understand how to improve the system and use the best means to improve decisions, performance, and accountability.

CHAPTER 1

Theoretical framework for accounting audit

Introduction: The great development witnessed by the public institution over time as well as the

development in the field of economic relations and the expansion and entanglement of trade has led to the organization dealing with several different entities and bodies with direct or indirect interests in the public institution, which forced the institution to adopt a new function within its organizational structure, allowing it

to inform all these customers of all developments within the institution as well as the activities it carries out. In order to carry out this task to the fullest, it is essential that this task be impartial and objective in communicating various reports to those concerned, and on this basis the audit process has arisen to help the organization meet these requirements, the importance of the audit process in verifying the validity of the various accounting and financial data and information and to ensure the accuracy of the expression of financial statements about the financial facts and activities of the institution, and the extent to which the procedures established by its management are applied to avoid various accounting errors. Therefore, the auditor is obliged to plan and implement the audit process to gather sufficient and appropriate evidence so that he can express his rich and neutral opinion on financial statements. Nationalities and the increase of large-scale institutions, which is the chances of the need to use a tight regulatory body internally and externally, and the growth of this necessity has led to the development of the professional practice of auditing since its first practice to the point where it reached today, and this development has touched its philosophy, concept, objectives and method of practice, and this development has also led to the emergence of multiple types of it.

First research

Introduction to the basics of accounting auditing First: The historical development of scrutiny

The auditing profession is an old profession since the ancient Egyptians, Romans and Greeks and the origin of the audit dates back to the Middle Ages, but the modern meaning of it dates back to the era of the entry of industrial companies into existence and the development of audit with the development of the industry, and the scrutiny of its simple form in the accounting system is mainly due to the fact that it became necessary to entrust to someone who checks the good exploitation of the resources available to another person"] **Bishops, 2006,p. 13**

Second: The definition of auditing

There were many definitions of auditing because of the differences of views between writers and researchers where he knew

That "the examination of the internal control systems, data, documents and books of the unit under scrutiny is a critical and orderly examination, with the intention of coming up with a neutral technical opinion on the extent to which the financial statements of that project are indicative of the financial situation of that project in any known period of time, and the extent to which it portrays the results of its work from profit or loss from that period" [**Amin, 2004,p. 18**], as defined by the American Institute of Chartered Accountants audit as: "An organized way to objectively



obtain evidence and evidence regarding what is installed in the books and records about the economic events of the project and to evaluate it to ascertain the degree of symmetry between what is proven and these events, and to transfer the results to the designated parties." **Saud, 2012, p8**, the International Federation of Accountants (IFAC) defined the audit as monitoring the financial information issued by the foundation by expressing an opinion on the validity and sincerity of this information. **J. Saud, 2012, p8**

Through the definitions above, the audit includes three elements:

1-Examination: Check the documents and books of the institution to confirm the validity and integrity of the processes recorded, analyzed, tabulation.

2-Investigation: Is the possibility of judging the validity of the final financial statements as a valid expression of the outcome of the work of the institution for a certain period of time. The examination and investigation are related functions as they enable the auditor to express his opinion by establishing a fair picture of the outcome of the institution and its financial position.

3- Thereport: Is the conclusion of the audit process as it is a real crystallization of the results of the examination process and the investigation in the form of the report is provided to the parties concerned, whether inside or outside the institution.]. **Tamimi, 2006, p4]**

Third: The importance of auditing

The auditor's report is of great importance to many groups such as customers, government institutions and management that help them make decisions that serve the interests of the **institution**.

A- The importance of auditing the customer:

- 1- A key source of information approved through summaries of financial statements at periodic intervals.
- 2- The basis for additional investments through an economic analysis of its financing position.
- 3- Basis for preparing tax returns and determining the amount of tax.
4. A basis for determining the integrity of the financial position.
5. Basis for determining the integrity of the financial position

B. The importance of auditing to management:

Management relies mainly on accounting data in control and planning processes, so if this management is not based on a sound basis, the planning will not be accurate and therefore unreliable, so management needs a high degree of confidence in the financial statements that can only be available through the audit process.

T. The importance of auditing suppliers and creditors: The supplier or creditor relies on the auditor's report, ensures the integrity and validity of the financial statements and analyzes these lists in order to identify the strength of the financial position and the ability to meet the obligation before starting and expanding commercial credit.

W. The importance of auditing lending institutions and banks: This relates to the granting of short-term financing to projects to meet their needs and expansions, so they adopt the auditor's report to study and analyze financial statements and their strength before starting to grant bank credit and rely as a basis for expanding or refraining from it by assessing the degree of risk in the granting of bank credit.

C. The importance of auditing the IRS: The IRS relies on approved accounts and financial lists to reduce routine procedures, obtain timely tax disclosure, speed up tax base determination and tax collection.

D- The importance of auditing the national economy: Auditing is one of the most important professions that have contributed and continues to contribute to the development of societies by performing investment services and clarifying various cases of corruption and waste and directing the investment of available savings and resources, the audit is a help to the state may achieve its goals by implementing its plans, which achieves maximum sufficient to double the national income and develop the economy and achieve the well-being of citizens. . **Al-Waqad, 2010, p. 26**

Fourth: Audit objectives

The goals can be limited to several points, including the following:

- 1- To ensure the validity and accuracy of the accounting data installed in the organization's books and records and to assess its reliability.
- 2- Detecting fraud and mistakes that may be found in accounting books.

Obtaining a neutral technical opinion on matching financial statements with what is restricted to books and records;

Reducing the chances of errors and fraud through surprise auditor visits to the institution and strengthening its control systems;

5- Monitoring plans and following up their implementation and the extent to which the goals are achieved and identifying deviations and their causes and ways of dealing with them.

6- Helping the tax authority in determining the amount of tax.

Fifth: Types of auditing

Due to the multiplicity of definitions of audit and the different style, timing and scope of its action, it has varied according to the basis of the tab, which we will mention as follows **Osman, 2011, p. 17:**



1- In terms of the person in charge of the audit: according to this criterion, the audit is classified as

A- Internal audit: is the audit carried out by a person from within the institution (affiliated with it) in order to reassure the management of the institution on the progress of the institution and protect its funds to achieve its goals in the greatest possible production and management efficiency and encourage compliance with administrative policies

B- External audit: Is the audit carried out by a person from outside the organization assigned by external users and has no material interest or relationship with the institution.

2- In terms of the obligation to check: according to this standard, the audit is classified as:

A- Mandatory audit: is the audit to which institutions comply in accordance with the prevailing law (tax laws, corporate law, investment) and the institution that does not carry it out has a legal violation

B- Optional audit: is an audit in which the obligation is not legal and the order to decide to do it is up to the stakeholders of the institution in order to check on the financial situation of the institution and that the information showing the results of the business is fair and credible because that information is necessary in making the appropriate decisions for the institution

3- In terms of scope of audit: According to this standard, auditing is classified as:

A- Full audit: Is the audit that entitles the auditor to scrutinize an unspecified framework for the work he performs in which the auditor uses his personal opinion neutral in determining the degree of detail in his work and the auditor is responsible for any harm arising from his or her recklessness in any aspect of the work.

B- Partial audit: The work of the auditor is limited to certain items such as sales, cash, underminers, fund... In this case, the auditor only comes out with the part that he was assigned to scrutinize and the subject he has been assigned to and explains the steps he has followed and the findings.

4. In terms of the time the audit is carried out: According to this standard, the audit is classified as:

A- Continuous audit throughout the year: the auditor conducts audits and examinations of the organization's operations throughout the year in the light of an agreed plan and timetable, and provides monthly, quarterly, semi-annual and annual periodic reports, the most important of which is that it achieves the detection of mistakes, fraud, fraud and fraud first

and provides accurate and rapid information to help make decisions, which is suitable for large institutions

B- Year-end audit: The auditor performs audits and examinations once at the end of the year, or on request, and this type of audit loses the advantages of continuous auditing and the woes of small businesses [Osman, 2011, p. 18]

Sixth: The relationship between auditing and accounting

Since its inception, the audit process has been associated with accounting, as accounting has until recently been known as a set of processes aimed at compiling, summarizing, tabling and displaying information on operations with financial values. From this definition it is clear that accounting was based on operations with financial values that were actually carried out, i.e. it was concerned only with the historical facts that were actually done and dealing with the original data, and was primarily responsible for those data and the sequence of steps to implement them, starting with the construction work that is concerned with collecting, analysing, summarizing, tabulation, recording and operating the underlying data until it reaches the statement of the results of the activity and its financial position at a certain moment in time. Auditing is one of the functions that are closely related to accounting and independent of it, where the audit measures the degree of confidence in the data and accounting information and delivers the result of measurement appropriately to the users of this data and information, the audit gives the accounting data a greater degree of confidence and reliance on it, the audit branch of accounting branches and its field of work data, documents, accounting information and financial lists [Massad, Al-Khatib, 2009, p. 22]

Table 1 (shows the difference between auditing and accounting)

Accounting	sift
Collects, tabs, summarizes and shows data in the form of financial lists	Critically checks information, records and financial lists
Measuring financial events in the organization and delivering the financial conditions of the users concerned through the income list	Examining the results of the company's work represented by the financial lists disclosed
The accountant is an employee of the management of the institution who receives his fees from it	The auditor is an independent person from outside the organization who works with a fee from the external user.



Maybe the accountant doesn't have any information about the audit and its procedures.	The auditor has knowledge of the accounting principles and their methods.
The accountant is not required to report on the financial statements	The auditor is required to report that shows his opinion on the fairness and sincerity of the financial statements

Second research

Accounting auditing components

One of the most important basic components of any profession is that there must be certain standards and levels to be worked on by practitioners of this profession and follow its approach at all stages of the work, and the profession of auditing is a common international standards aimed at reducing the degree of difference and represents a general framework for assessing the quality and efficiency of the artwork, and must distinguish between standards and procedures as the standard according to the Oxford Dictionary as the pattern or measure by which the required qualities can be examined according to the nature of the work. Audit and its objectives, but the procedures are the steps taken by the auditor during his work.

Rules of conduct for the audit profession

The importance of the auditing profession has forced auditors to engage in ethical conduct to perform their work in a manner that corresponds to the trust of the auditor's stakeholders.

It is defined as: "a set of principles or values consisting of laws, regulations, religious sermons, work charters for professional groups, and code of conduct in different organizations." [Lotfi, 2007, p. 210]

It aims to raise the level of the accounting and auditing professions while maintaining the dignity and strengthening the progress of the profession.

Developing the spirit of cooperation between accountants and auditors and taking care of their material, literary and moral interests. Strengthening and supplementing legal texts and provisions to provide the principle of sufficiency in scientific and practical qualification,

- Instilling trust and confidence in those concerned with the services of accountants and auditors assigned to them to adhere to technical technical standards and high scientific and professional levels. **Dahdouh, Judge, 2009, p. 76**

Its principles:- independence, integrity and objectivity in the work of the auditor when expressing his opinion on the financial statements.

- General and technical standards such as professional competence, care and seriousness with planning and supervision of all stages.

- The auditor's responsibility towards his currencies, such as maintaining the confidentiality of the data and agreeing on the fees due.

- The auditor's responsibility towards his colleagues, such as not crowding out colleagues and protecting auditors when proposed changes.

Other responsibilities and should be unethical.

[Bishops, 2006, p. 56]

Second: audit criteria

These standards are considered professional levels to ensure that the auditor complies with his professional responsibilities in accepting the assignment, planning and implementation of auditing and reporting work, including the auditor's consideration of the required professional qualities such as professionalism, independence, reporting requirements and evidence. The tenth and final standard, the fourth in the reporting criteria, was adopted and issued in a booklet of the Institute in 1954, dividing the 10 standard standards into three groups, criteria for the person examined (general), standards for field work, and reporting standards.

Spring, 2004, p. 13

Group1: General or personal criteria derived from this group the following criteria:

The examination process should be carried out by a person or persons with sufficient scientific and scientific qualification.

The auditor should have the elements of neutrality and independence.

The auditor should give up the usual professional care during his or her work as well as in the preparation of the report.

Group II: Field work standards and derived from this group the following criteria:

Planning and supervision: A field standard requires that the work must be adequately planned and in the event of assistants being properly supervised, planning and supervision is an ongoing process during audit because the auditor is responsible for auditing and preparing the report and delegated some responsibilities to assistants and planning includes (preliminary planning, obtaining information about the unit he is scrutinizing, identifying the concept of materiality and the level of risk of auditing, studying and understanding the internal control system, and preparing the audit program

*** Study and evaluate the internal control system:** the study of the internal control system aims to:

- **Planning audit-** assessing the risks of censorship.



The existence of an internal control system provides reasonable guarantees that reliable records help the auditor plan the size of the samples he will subject to the examination process.

***Sufficient, appropriate, convincing and relevant evidence:** the adequacy of the evidence depends on the quality of the activity documented by this evidence, for example the evidence relating to the purchase process is (purchase order document, disclosure of receipt of purchased goods, lists of suppliers, exchange document) all of these documents are sufficient to prove the purchase process or conviction depends on the personal judgment of the auditor responsible for the audit. **Rabia, 2004, p. 14**

Group 3: Reporting criteria.

The task of each auditor ends after the examination process is performed by writing a final report, which includes his explicit and impartial opinion on the legitimacy and sincerity of the accounts. However, the task of writing the report is not without a set of controls that the auditor must take into account, divided into four criteria

First: The extent to which the financial statements agree with GAAP.

The first criterion of the report means that it contains an explanation from the auditor on whether the financial lists were prepared in accordance with GAAP. From the point of view of this standard, GAAP can be tabulated to the following groups:

Group I: General principles, these principles can be summarized as follows:

1- The principle of caution and caution 2- the principle of stability 3- the principle of inclusiveness 4- the principle of relative importance 5- the principle of disclosure

Group II: Scientific principles related to profit, these principles can be summarized as follows:

1- The principle of revenue verification 2- the principle of meeting revenues with expenses.

Group 3: Scientific principles related to financial position, including the following principle:

1- The principle of value expected to be achieved in the future 2- the principle of historical cost.

Second: the consistency in the application of the accepted accounting principles.

The auditor should refer in his report to the continuity and consistency of the unit in the application of GAAP from time to time, based on the principles used when preparing financial statements for previous years through reports, and the purpose of this proof is the ability to make comparisons between financial statements on different cycles.

Third: Sufficient disclosure: Under this criterion, the auditor must refer to any financial information deemed necessary that may have been overlooked by the financial statements for good or bad faith by its preparers, in order to avoid the possible misinformation of the entities using the financial lists that may lead to improper decisions that could have been avoided. The adequacy of disclosure here is intended to be based on material information without going beyond useless details.

Fourth: The report must include the auditor's expression of the sincerity, fairness and clarity of the financial statements and their conformity with the financial position and the results of the work of the institution. The characteristics of the auditor's examination and the degree of responsibility he bears [Juma, 2005, p. 28]

Third: The practical stages of auditing

The accounting audit is carried out through five consecutive stages **logically:**

1- **Preliminary procedure phase: Under optimal circumstances, the client must contact the auditor before the end of the financial year** to be audited, so that the auditor has sufficient time to accept this task or not, as well as plan the process appropriately, which allows the task to be completed in a more efficient manner, but the most important steps followed are:

- Contact the former auditor if he is present to find out the reasons for refusing to renew his agency and to make sure that he is isolated.

- Ensure the validity of the appointment and determine the field of work and the instructions that he must abide by in order not to violate it.

- The comprehensive knowledge of the client under scrutiny so that he can develop an appropriate plan that satisfies his professionalism by using several girls such as access to documents and documents, field visits, interviews.

Identifying the objectives of the audit process through comprehensive information on the audit.

2- **The stage of studying and evaluating the internal control system: The auditor examines the internal control system applied in the institution using a range of means** in accordance with the methodical steps known, in order to ensure the validity and integrity of the application of the system with knowledge of its strengths and weaknesses, and therefore the study and evaluation of the internal control system is the starting point on which the auditor is based when preparing the program and determine the size and quality of the tests and evidence that he will receive. **2000, p. 7:**

- A good understanding of the structure of the internal control system of the applicable accounting system and the methods of control adopted



- Identify the risks of control so that the auditor can know the weaknesses and strengths to record them and document them with his papers.

- Design compliance tests by the auditor to make sure they are implemented to allow the perception of an effective method of examination.

3- The stage of preparation of the audit program:

the audit program is a plan drawn up on these findings reached by the auditor after studying and examining the internal control system, with the aim of implementing it efficiently and effectively with access to a sound technical opinion" and this program represents a summary of what should be done before the auditor is fully convinced that all aspects of the financial statements have been examined, and also includes the list of detailed instructions for assistants.

4- The stage of implementing the audit process is one of the most important stages that enables the stream to express its neutral technical opinion on the sincerity and fairness of the financial statements, and this phase is based mainly on examining the processes carried out by the institution and verifying the elements of its financial lists, and through which it can detect the mistakes and abuses committed, and the most important steps of this phase are [Juma], 2005, p. 135:

- Basic tests geared towards ascertaining the validity, validity, occurrence and existence of balances, and are limited to analytical examination, details of accounting processes and balances extracted for all accounts.

Methods of implementing the audit in a neutral and impartial manner in order to reach a neutral technical opinion

5- The stage of preparing the audit report that the main objective of the accounting audit process is to express a technical opinion neutral on the validity of the financial statements, and this is through the preparation and presentation of a comprehensive report on the task to the relevant parties that depend on it to make sound decisions current and future, Bishops, 2006, p. 114.

CHAPTER 2

Government audit

Introduction

Government spending in all countries of the world has become a high percentage of public spending for society, so there must be a tool that controls resources and public expenditures away from tampering with public money and personal exploitation, which is represented by government scrutiny, which is usually carried out by an independent body directly linked to the highest legislative authority, and not to any executive authority to influence it. **In this chapter, we will address government organizations and their**

nature and characteristics, as well as the role and importance of government scrutiny.

First: Introducing government organizations

These institutions established by the state, which are based on their management and support in order to carry out tasks regardless of the quality of the organizations and the nature of their activities, deal with economic resources allocated to achieve certain objectives, so that the government represents bodies and institutions in a particular country or outside the country and thus includes governments, government agencies and similar bodies, whether local, national or international. Lotfi, 2005, p. 390.

Second: Types of government organizations

These organizations can be classified in several ways according to their nature and the types of services they perform, yet these classifications are not absolute, and the most prominent can be identified as follows:

1. By nature

A- Government public organizations: they consist of ministries and government interests in addition to hospitals, universities and public schools and are established by law and in accordance with the administration of the legislative authority.

B- Special social organizations: consisting of charities, professional associations, clubs in addition to hospitals and private schools, which arise from the desire of a group of individuals who provide grants and donations for social purposes or may arise as a community of unions seeking to provide services to their members or arise through individuals who have a social goal.

2- Depending on the type of services you provide

Government organizations that perform sovereign services such as defence, security and justice

B- Government systems that perform social services such as care, health and education, free of charge, and there are special social organizations that do not target the wind and provide these services for a nominal fee

Government organizations providing infrastructure services such as road construction and land rehabilitation

D- Government organizations that provide economic services such as electricity, water and transport without seeking profits.

3- Depending on the nature of the money

I- Systems that provide services free of charge by spending funds allocated for specific purposes and therefore allocate resources and are determined annually or each period to be spent on certain and specific symptoms called funds with resources from an external source, for example ministries, government interests, hospitals, colleges and public schools, where



their accreditation is allocated through the state budget.

B- Systems that provide their services in return through their funds on self-income generated from the exploitation of its permanent capital, which has already been contributed by the State from funds that can be spent or contributed by individuals to establish such organizations, and therefore these funds are called funds with self-renewable resources, such as economic institutions that provide electricity, water, transportation and transportation **services. 2005, p. 397**

Third: The characteristics of government organizations

There are characteristics that distinguish government organizations from those related to the business sector, perhaps the most prominent of which are:

1. **There is no incentive to profit:** these organizations have no incentive to make a profit because there are no private property rights that can be sold or traded, such organizations were not originally established out of profit but may cover part or all of the costs of performing the service.
2. **Lack of a competitive market:** These organizations receive a large amount of resources, such as taxes or optional donations, and do not face competitive power because they provide services and benefits to beneficiaries who do not have alternative sources to obtain such benefits and even if they are available do not constitute a competitive force.
3. **Heterogeneity of stakeholders' objectives:** there is a homogeneity between the objectives of stakeholders in business organizations (Owners, managers and employees) is to unite the goal of achieving a satisfactory amount of profits and exploiting the resources allocated in an optimal way to achieve profit - in contrast in government organizations objectives where the objectives of the organization may not be achieved with the motives and directions of its director, because they appoint them and determine their rabbits and allowances are typically determined without regard to their productivity and they make their decisions in accordance with the instructions, orders and plans adopted by the legislature or the government authority.
4. **Subject to legal restrictions or special conditions** subject to government regulations, whether financed by sovereign resources or contributions and contributions or providing a

commodity or services in accordance with the need for restrictions to determine the areas of expenditure of their resources, where such restrictions may be imposed by the letter of the law, such as in government organizations or by shareholders with funds or management of organization as well as in other social organizations]Lotfi, **2005, p. 398**

Fourth: The nature of government scrutiny

Increased attention in different countries towards the accountability of government officials accountable, due to the increasing popular demands and pressure of public opinion where it is difficult to have an effective and efficient system of government administration centrally and locally without The availability of a kind of popular accounting accountability for which the government's accuracy was to ensure that it was achieved through the assessment and assessment of the performance of government unit departments in the acquisition of resources and their allocation to the objectives of achieving them.

Fifth: The concept of government accuracy

This development has placed an additional burden on external oversight bodies in order to carry out their tasks in verifying the proper use of public resources, and in order for government agencies to carry out the task of reviewing, it is necessary to adopt new methods of accuracy that go beyond the usual review methods that focus solely on financial aspects and aspects of compliance with regulations and education.

The government's accuracy was defined as:

A means of ensuring public accountability for the use of funds by the government and acts as a tool for exercising financial control "[Caupita,2005,p974]

The first Arab Conference of the Higher Financial Supervisory Bodies defined it as: "A scientific approach that requires the integration of legal, economic and administrative concepts, and aims to ensure the preservation of public funds and increase the efficiency of their use and achieve effectiveness in the results achieved." Rihanwi, **2011, p. 51**

The first Arab Conference of the Arab Group of Higher Regulatory Bodies also defined government scrutiny as "a comprehensive scientific approach that requires integration and integration between legal, economic, accounting and administrative concepts, and aims to ensure the preservation of public funds, increase the efficiency of their use and achieve effectiveness in the results achieved." Many writers agree that the government review is defined as "a financial review or performance review of government units or in a government-run economic unit." TheCart, **2016, p. 11.**

Through previous definitions it can be discussed that government scrutiny is not only the obligation and



implementation of regulations, laws and regulations that determine the use of public funds, but goes beyond that to pay attention to assessing efficiency and the economy of the use of resources, avoiding unnecessary spending and ensuring that the objectives for which resources have been provided have been achieved, and discovering the efficiency and effectiveness of government agencies in the performance of their activities, as the definition of the first Arab Conference of higher financial oversight bodies can be considered the most comprehensive, including Financial audit and its purposes of auditing documents and records and verifying the validity of the procedures in accordance with laws and regulations, and also includes administrative audit in its concept of performance control and the efficiency and effectiveness in the implementation of programs, as well as includes the economic trend, and its aim to assess the adequacy and economy in the use of resources. Through previous definitions that addressed the concept of government scrutiny, it can be concluded that they have ignored social aspects and the social implications that may result from government activities and programmes. It can therefore be concluded that **government audit** is "the audit carried out in government units, which apply the government accounting system, an integrated audit system that includes examining and scrutinizing the financial, administrative and social aspects of the activity of the government unit, and reporting on it, with the aim of evaluating performance and planning government activity, so that the maximum possible return can be achieved at the lowest possible cost."

Sixth: The importance of government scrutiny

The powers and responsibilities in government units and economic sectors within those units, and the management of public resources in them, are broader and more comprehensive before the stakeholders, in this case they are society and its categories of citizens, public opinion and legislative authority, all those groups and given the public funds and resources available to government units need to know or be assured that those resources are used optimally, and in accordance with the rules and laws, and are distributed fairly among those groups, They invest efficiently and economically, and the activities and programmes by which public funds and resources are managed are highly effective.

Scrutiny of private sectors is important given the need for owners to ensure their business investments, but the government sectors, which of course the volume of funds and resources within them are larger and the size of services and businesses is greater and more comprehensive, the demand for scrutiny will be more large and broader, the importance and need will be inevitable, also because the stakeholders in government units are considered a broad segment of society, they need tools and means to help them ensure good The

use of these resources is economically and efficiently, and that use is carried out in accordance with the laws and regulations established, hence the importance and necessity of government scrutiny and the need for it within government units and sectors.

The importance of government scrutiny can be further addressed by addressing the audit of government performance and the role played by the auditor when conducting this type of audit, which boils down to the following points:

1. Auditing the performance of the management system, where this gives valuable recommendations to improve the performance of the program, the auditor helps management understand how to improve the system and use the best means to improve decisions, performance, and accountability.
2. Evaluate performance information by checking the appropriateness and reliability of performance information, and helping to build confidence in information for better use and utilization by officials and citizens.
3. Measuring performance or helping management do so, as the auditor often helps management find the best performance measures.
- 4 . Encouraging and assisting management through support, support and guidance to improve management performance, there are some auditors who have served as consultants or management partners in the development and improvement of performance management systems that have become more effective due to the efforts of the selected.
5. Help officials and create relationships with relevant ones on performance management in several ways where the auditor contributes to improving performance management, which prompts legislators to consider this important role and make important improvements to the system based on the recommendations of auditors.

It is clear from the above that the importance of auditing government units stems from the importance of the role played by the auditor when auditing performance in government units, as the process of auditing performance and its results works to improve performance, increase its efficiency, make the right decisions, achieve programs for their planned objectives, help improve the administrative system within government units, and work to produce appropriate information that helps in making appropriate decisions, all of these outputs work to enhance the role and importance of Performance audits.

] [Epstein,2007,p2

Seventh: Types of government audit

Public sector control can be divided into several types, the most important of which are:



First: Internal control and external control]Hammad,2006, p. 20]

1. Internal control: Internal control is called because it is carried out by an administrative unit operating within the controlled body, where it is supposed to provide the supreme authority with observations on the legality and integrity of the management of funds and the accuracy of accounts and suggestions regarding the development and improvement of the management system by eliminating flaws, and internal control includes the regulation scheme and a set of coordinated methods and measures adopted by a particular interest to conserve resources, validate and enhance its effectiveness and impose compliance with policies designed to achieve pre-established objectives and objectives. Internal control can contribute effectively to ensuring the careful preservation and use of limited funds and public resources in a way that leads to achieving the desired goals and objectives without compromising the policies drawn up, but the success of the internal control unit depends on the extent of its independence, the quality of the terms of reference and the nature of the powers granted to it, but it is also linked to the availability of a number of conditions, the most important of which are:

Practical rules of management and organization that logically, clearly and accurately define the powers, duties and responsibilities of each user, enabling them to perform their functions to the fullest.

The need to provide staff at all levels with the necessary and sufficient capacity and experience to complete the required tasks within the specified time limits.

Practical quality and performance rules that qualify oversight bodies for evaluation and comparison.

Strict and strict rules of financial management, particularly with regard to financial management and public transactions.

2. External control: It is called external control because it is carried out by a higher body that is supposed to be completely independent of the controlled authorities; its framework is usually defined by law, and includes everything related to public money, and provided for by the Constitution, including external control, including the follow-up of how laws and regulations are implemented, and the extent to which the directives of the peaceful authority are conformed; and in general the audited body has the possibility of asking the question of legitimacy, appropriateness and accounting accuracy, and the extent to which efficiency, good conduct and effectiveness are adhered to.

The inspection is the mainstay of external control; it includes examining financial operations, analysing

accounting statements for the purpose of detecting errors, irregularities and deviations, correcting and correcting them, investigating them in order to establish responsibility and taking the necessary measures to recover lost funds;

The investigation is supposed to conclude with the editing of a report to be submitted to the Supreme Authority (Parliament) that briefly assesses how the Administration discharges its responsibilities, and must include, in particular, proposals to improve and evaluate management.

The reports are the most commonly used means of communication, contributing to the movement of accountability for public funds by the competent committee in Parliament, which is presenting the reports of the Authority for examination on the basis of criteria, the most important of which is the management of the objectives without implying interference with the appropriateness of programmes and policies.

Second: Previous censorship and subsequent censorship]Brough,2006, p. 45]

This division depends on the time when censorship is carried out.

1. Previous oversight: its objective is preventive, and represents a kind of legitimate and appropriate control over financial transactions and conduct prior to the decision on financial conduct and before its implementation, before concluding and implementing public contracts or transactions, in order to prevent mistakes and irregularities, and to prevent any manoeuvres by the marchers.

2. Subsequent control: its purpose is deterrence, which is carried out after the implementation of financial operations and is usually linked to external control, whether judicial, parliamentary or administrative. In addition to the previous

two classifications, there are three main types of public sector control, which are included in the previous types known as Brough, 2006, p. 46:

1-Financial control: Focuses on determining whether the financial information of the unit is expressed in accordance with the financial reporting framework and the applicable regulatory framework, and this is achieved by obtaining sufficient control evidence to enable the auditor to express his opinion on whether such information is free of errors of relative importance arising from fraud or error.

2- Performance control: focuses on whether programmes and institutions operate in accordance with the principles of economy, efficiency and effectiveness, whether there is room for improvement, examines performance against appropriate criteria, and analyses the causes of deviations from those standards or analyses other problems, with a view to answering key



control questions and making recommendations for improvement.

3. Compliance control: Focuses on whether a particular topic is committed to specific references as criteria, and the control of the obligation to assess whether financial activities, transactions and information are committed from all aspects of relative importance to the references governing the controlled body.

The objectives of government audit

The objectives of government audit can be summarized as follows:

1. Ensure that financial statements represent the fairness of the financial position in accordance with the established principles
2. Check the economic and efficient use of resources.
3. Discover the causes of non-economic and inefficient practices.
4. Check the accuracy of the general budget estimates.
5. Determining the effectiveness of the government unit and the effectiveness of its programs and activities.
6. Know the social effects of government programs and activities.
7. Examining the internal control system and the effectiveness of the regulatory methods applied. [Kearney & Others ,2013 ,p13]

CONCLUSIONS

1. Auditing is the cornerstone of each institution.
2. Auditing is based on a set of characteristics and information that are the very basis for which they have been developed, as well as on a set of criteria that guide and give the framework in which they are active.
3. Good government scrutiny prevents corruption, fraud and manipulation within public sector institutions and thus preserves public money
4. Government scrutiny helps to detect non-economic practices within the government unit.
5. Proper auditing of the performance of the government unit reflects on improving performance and increasing its efficiency, thereby improving the administrative system within the government unit and producing appropriate information that helps in making appropriate decisions.

RECOMMENDATIONS

1. The need to educate employees within the public sector about the principles of accounting auditing to work with them.
2. The need to properly and scientifically scrutinize government performance.
3. Not to be late in checking is a very urgent necessity.

SOURCES

Arab Sources

1. Ahmed Helmy Juma, **"The Entrance to Modern Audit"**, Second Edition, Safaa Publishing House, Amman, 2005.
2. Akram Ibrahim Hammad, **"Government Sector Control"**, Dar Jahina, Amman, 2006.
3. Amian Al Sayed Ahmed Lotfi, **"Various Reviews for Different Purposes"**, University House, Egypt, 2005.
4. Amian Al Sayed Ahmed Lotfi, **"Advanced Studies in Review and Assurance Services"**, University House, Alexandria, 2007.
5. Hussein Ahmed Dahdouh, Hussein Yousef Al-Qadi, **Advanced Audit**, Dar al-Culture, Amman, Jordan, 2009.
6. Saud Kaed, **Audit**, 01 Jordan, Zahran Publishing and Distribution House, 2012.
7. Salah Rabia, **"Internal Review between Theory and Practice"**, Unpublished Master's Note, Faculty of Economics and Management Sciences, University of Algeria, 2004.
8. Abdul Razzaq Mohammed Osman, **"The Origins of Internal Audit and Control"**, First Edition, Model House, Seda, Beirut, 2011.
9. Abdelwahab Nasr Ali, **"Comptroller Services for the Capital Market"**, University House, Alexandria, Egypt.
10. Ghassan Falah Al-Bishops, **"Contemporary Audit in TheOry"**, Amman, Darat al-March Publishing and Distribution, 2006
11. Ghafran Rihawi, **"Reviewing expenditures in the state budget under government audit criteria (field study)"**, Master's thesis, Damascus University.
12. Mohamed Brau, **"Financial responsibility in general and responsibility for budgetary management by objectives in particular"** - Comparative Diagnosis - Journal of the National School of Management, Issue 32, Algeria, 2006.
13. Mohammed Bin Al-Araba **"The role of government audit in rationalizing public expenditures 2012-2014"**, a thesis for his Ph.D. in facilitation sciences, University of Adrar, 2016/2017.
14. Mohammed Fadl Massad, Khaled Ragheb Al-Khatib, **"An In-Depth Audit Study"**, Treasure



House Scientific Knowledge for Publishing and Distribution, Amman, First Edition, 2009.

15. Hadi Tamimi, **"An Entry into Theoretical and Practical Audit"**, Wael Publishing House, i3, Amman, Jordan, 2006.
16. Diane Al-Wadad, **"Audit"**, i, 1Man, Al Arabi Publishing and Distribution Library, .2010.
17. Youssef Mahmoud **Jarboua, Audit between Theory and Application**, Al Warraq Publishing and Distribution Foundation, Amman, 2000.

FOREIGN SOURCES

1. Epstein, p , **"Auditor Roles in Government Performance Management"**. Issue Paper # 8 to National Performance Management Advisory Commission, 2007.
2. Fernandez, R., Green, J., Kearney, E., Zavada, D, **"Federal Government Auditing Laws, Regulations, Standards, and Practices"**. New Jersey: John Wiley & Sons, 2013.
3. Gupta, K, **"Contemporary Auditing"**. New Delhi: Tata McGraw Hill Publishing Company Limited, 2003.