



## **THE EXTENT TO WHICH THE COMPREHENSIVE CONCEPT OF FINANCIAL CONTROL IS APPLIED TO PUBLIC FUNDS IN IRAQ (IRAQI A STUDY IN LEGISLATION)**

**1-Aizdihar Jasim Muhamad**

(Teacher) 0000-0002-9500-0622

Babylon University, Faculty of Management and Economics .  
[bus.ezdehar.jasim@uobabylon.edu.iq](mailto:bus.ezdehar.jasim@uobabylon.edu.iq)

**2-Mithal Kreem Kadhim AL- Zubady**

(Assistant Teacher)0000-0002-1591-1283

Babylon University, Faculty of Management and Economics.  
[mithalalzubaid55@gmail.com](mailto:mithalalzubaid55@gmail.com)

**3-Ahmed Hassan Ali AL –Mamoori**

(Assistant Teacher) 0000-00031980-5979

Babylon University, Faculty of Management and Economics .  
[ahmedha.almaamory@uobabylon.edu.iq](mailto:ahmedha.almaamory@uobabylon.edu.iq)

| <b>Article history:</b>  | <b>Abstract:</b>   |
|--|--|
| <b>Received:</b> 10 <sup>th</sup> December 2022<br><b>Accepted:</b> 8 <sup>th</sup> January 2023<br><b>Published:</b> 14 <sup>th</sup> February 2023 | <p>The purpose of this study is to answer many questions, the first of which is what is the comprehensive concept of public money control? Is it applied in Iraq? The second question, what are the reasons for the failure of the system of control over public funds in Iraq to achieve its objectives? We have addressed two requirements, the first is the theoretical framework for defining the concept of comprehensiveness of financial control, and the second is the reasons why financial control does not achieve its objectives. Therefore, the descriptive analytical approach was followed for the data obtained from constitutional articles, laws and websites to verify the hypothesis that the comprehensive concept of control over public funds needs to be defined. It is clear in order to achieve the objectives of control in accordance with the sustainable development approach. The importance of this research comes from the importance of money and its role in achieving the well-being of society. The scientific importance of the research lies in providing the library with one of the scientific sources that clarify the meaning of the comprehensive concept of financial control. The most important findings of the research lie in the reasons Which hindered the agency from carrying out its basic function, including reasons related to the lack of a comprehensive concept of oversight, others related to the formulation of laws regulating the oversight of public funds, and others related to the work systems of the oversight bodies and the prevailing work environment in Iraq ,</p> |

**Keywords:** comprehensive concept of oversight, financial control law, public money, corruption.

### **INTRODUCTION**

And since the effective use of public funds constitutes one of the basic pillars for the proper management of these funds and the effectiveness of administrative decisions issued by the competent authority, the achievement of these goals requires the presence of a supreme financial control body whose independence is guaranteed by law, which assumes financial control over administrative agencies to ensure the effective and appropriate use of public funds. , especially after the state's activity expanded to extend to the economic and social sectors. In most developing countries, constitutions stipulate some principles that

govern financial affairs in general and the system of financial control over administrative agencies in particular, state revenues, how to collect them, how to spend any amount by the state, and the activity of financial control over public funds as a central body that audits the accounts of agencies and agencies. affiliated to it by law.

### **THE PROBLEM**

The presence of major imbalances in the mechanisms of spending and irresponsible spending of public money in developing countries and the presence of great corruption in international joints has a great impact on the economy, growth and society, and



therefore we must identify what the supreme control of the state is to protect public money from corruption and irresponsible spending that serves private purposes,.

### **IMPORTANCE**

It is evident that the administration in developing countries suffers from several imbalances and loopholes. If the imbalances are legislative, functional, behavioral, as well as regulatory, the administrative apparatus also suffers from several imbalances, as the administrative apparatus in developing countries suffers from administrative and financial corruption and weak oversight of both internal and external types. Public officials and waste of public money, absence of responsibility, self-commitment, abandonment of the public interest, failure to preserve state property, absence of a good example, complexity of procedures, non-compliance with laws and regulations, and the existence of loopholes in laws and regulations for the preparation of the general budget and the extravagance in its application, and abstention About innovation and renewal in financial management, lack of austerity in running expenses, privatization of vital facilities, violation of the principle of equality, abuse of power, directing expenditure items for special purposes ... etc. All of these considerations made the subject of financial control of great importance and urgency in the light of the above-mentioned considerations.

### **OBJECTIVE**

- 1- Knowing what is the comprehensive concept of controlling public funds. Is it applied in Iraq?
- 2- What are the reasons for the financial control not achieving its objectives in Iraq?

### **HYPOTHESIS**

The concept of control over public funds needs to be clearly defined in order to achieve the objectives of control, according to the approach to sustainable development.

### **SEARCH LIMITS**

The spatial limits are Iraq, while the temporal limits are related to the amended law of the Office of Financial Supervision for the year 2011.

#### **The first requirement**

#### **Diagnosing the comprehensive concept of financial control**

The Federal Office of Financial Supervision is considered one of the first, highest and most important

oversight bodies in Iraq, and it is specialized in oversight of public money. To know the extent to which the concept of oversight is applied to public money, it is necessary to know the nature of the work of this institution, by identifying the following:-

#### **1- Device independence**

The Bureau is an independent body financially and administratively. It has a legal personality and is considered the highest financial oversight body linked to the House of Representatives. It is represented by the President of the Bureau or whoever authorizes him. (Federal Bureau of Financial Supervision Law No. 31 of 2011)

#### **2-Device goals**

The Bureau seeks to achieve the following objectives:

First: Preserving public money from wastage, waste, or misuse, and ensuring its efficient use.

Second: Developing the efficiency of the performance of the entities subject to auditing.

Third: Contribute to the independence of the economy and support its growth and stability.

Fourth: Publish accounting and auditing systems based on local and international standards and continuously improve rules and standards applicable to management and accounting.

Fifth: Developing the accounting and auditing professions and accounting systems, and raising the level of accounting and auditing performance of the entities subject to auditing.

#### **Types of oversight exercised by the device**

1- Financial control in terms of accounting and legal

Where the specialized employees perform these tasks through:

- Documentary auditing, accounting records and receipts for all elements of expenses and revenues for entities subject to the control of the Agency.

- Auditing the final accounts of the various accounting units and whether the budget reflects what came in the accounts.

Statement whether the unit subject to control implements the laws in force.

2- Monitoring performance and following up the implementation .

- Follow up the implementation of investment projects according to estimated costs.

- Follow-up to achieve commodity production in quantity and quality

- Follow up the implementation of import and export plans to serve the economic development of the.

3 - Legal oversight



The Bureau examines and reviews the decisions issued by the entities under review with regard to the application and violation of internal and external laws and instructions to ensure that appropriate measures have been taken in relation to these violations, identify their causes, address those causes, identify those responsible for them and hold them accountable.

**By reviewing the contents of the law, the following becomes clear:**

**• for independence**

Although the Constitution of the Republic of Iraq for the year 2005 stipulated in Article (103) thereof that the Federal Financial Supervision Bureau is one of the independent bodies, and its law also stipulated that the Bureau be considered a financially and administratively independent body, but the aforementioned law did not fully guarantee this independence, and we can point out Some manifestations of lack of independence that affect the role and effectiveness of the Bureau as the highest financial control body. The independence of the Supreme Audit Institutions is the main reason and the essence of their existence. This issue was one of the important and pivotal issues dealt with by (INTOSAI) since its inception in 1953, and the importance of this issue increased with the issuance of The Lima Declaration of 1977, followed by the Mexico Declaration of 2007, and the affirmation of the General Assembly of the Organization of (INTOSAI), which includes the heads of the supreme audit institutions for financial control and accounting No. (20), held in Johannesburg - the capital of South Africa in 2010, on the need to introduce the Declaration of (Lima) Among the documents of the United Nations, where it was called the Great Document for government oversight of the Lima Declaration after its approval by the Economic and Social Council of the United Nations on 4/26/2011, as this document confirmed the principle Independence to enable the oversight bodies to exercise their competences effectively, impartially and objectively, and this would support confidence in the results of the audit of the supreme audit institutions, which can only be achieved through complete independence from the bodies that undertake their oversight, as well as through other manifestations of independence (functional, administrative, financial and legal independence) as it provides Legislative reform Legal and effective frameworks to ensure the independence of the supreme bodies, and by referring to the Federal Office of Financial Supervision Law,

**we can indicate the manifestations of lack of independence as.**

**First:** The link of the Federal Financial Supervision Bureau:

According to the text of Article (103/Second) of the Constitution of the Republic of Iraq for the year 2005, the Federal Financial Supervision Bureau is linked to the House of Representatives, as is the case in the laws that preceded it, which considered the Financial Supervision Bureau as a representative of the legislative authority in controlling the financial actions of the executive authority, and in France, the The French Court of Accounts exercises oversight and judicial jurisdiction at the same time and enjoys independence from the legislative and executive authorities. The French Constitution of 1848 recognized the judicial capacity of the Court of Accounts without considering it part of the judicial authority. The Court itself considered itself an administrative court of a special kind.

In addition, we find that the Federal Supreme Court implicitly objected to the will of the constitutional legislator to link the aforementioned Diwan to the House of Representatives, based on the principle of separation of powers, as stated in its decision No. (88 / Federal / 2010) on 18/1/2011 ( And if what the constitution stipulated by linking some independent bodies of an executive nature to the House of Representatives is inconsistent with its main competencies stipulated in Articles (61) and (62), which are the competence of legislation and the competence of oversight of the executive power, and contradicts the principle of separation of powers that it adopted. The Constitution of the Republic of Iraq for the year 2005 in Article (47) of it, and it also does not agree with what is being worked on in the parliaments of the world, as they are not entrusted with the management of bodies or institutions with executive activities because the parliaments in the world, including the Iraqi Council of Representatives, do not have the tools that enable them to supervise and follow up on the activity of independent bodies, especially if Parliament is not)

**- Below are the notes on the decisions of the Federal Court**

**1-**That the House of Representatives oversight the actions of the executive authority in accordance with the provisions of Article (61/Second) of the Constitution of the Republic of Iraq for the year 2005 through the parliamentary oversight tools stipulated in the



Constitution, such as questioning and raising a general issue for discussion, interrogation, withdrawal of confidence, and the formation of parliamentary committees in accordance with Article (61/ Seventh) Eighth) from it, and this type of parliamentary oversight is of a political nature because it leads as a result to the withdrawal of confidence from the ministers or the prime minister in the event that negligence is proven by the House of Representatives, while the oversight of the Federal Bureau of Financial Supervision is a (technical) oversight related to the financial and administrative aspects and does not entail It has political implications, and here we find that the House of Representatives and the Bureau of Financial Supervision, although they have the jurisdiction of oversight, the nature of oversight and its tools differ, in addition to that, the accounts of the House of Representatives are in turn subject to the oversight of the Federal Bureau of Financial Supervision, as Article (60/Third) of the Law stipulates The House of Representatives and its formations No. (13) for the year 2018 provided that (the accounts of the Council are subject to the audit of the Federal Financial Supervision Bureau), and this requires the independence of the Bureau from the House of Representatives as long as its accounts are subject to the audit of the Bureau, and Presenting the Bureau's annual reports to the House of Representatives, including the results produced by the process of implementing the Bureau's annual plan, opinions and proposals related to the financial, administrative, economic and legal conditions, and evaluating the effectiveness and adequacy of the government's measures based on Article (28 / First / A) of the Federal Bureau of Financial Supervision Law. It does not require that the Bureau be affiliated with.

2- The Federal Supreme Court went to violate the independence of the Federal Financial Supervision Bureau by strengthening its subjection to the supervision of the executive authority (the Council of Ministers), as stated in its aforementioned decision (... that the association of some independent bodies with the House of Representatives does not prevent the Council of Ministers from supervising their activities in practice Due to the provisions of Article (80/First) of the Constitution .because the independent bodies fall within the structure of the state and perform executive tasks and are not linked to the ministry..), and the reason for that, according to our opinion, is the attempt of the Federal Supreme Court to address the forms in which the constitutional legislator fell when he linked some bodies The independent body in the House of Representatives and linking the other to the Council of Ministers, while it was more appropriate for the

constitutional legislator to make the Federal Financial Supervision Bureau a supreme oversight body independent of the executive and legislative authorities while drawing the limits of the relationship with these two authorities and the means of cooperation, as the Iraqi constitutional legislator did not specify the nature of the association with the House of Representatives, in When we find the British legislator more clear and precise when he linked the National Audit Office to the Parliamentary House of Commons and made the accountant and auditor general a parliamentary employee, similarly we find that the French legislator is a Also, the issue of the independence of the French Court of Accounts was resolved as a judicial entity independent of the two authorities (legislative and executive) with the obligation to provide assistance to these two authorities, while the Iraqi constitutional legislator was not clear and accurate in organizing the connection of the Federal Office of Financial Supervision to the House of Representatives, and the fact that the latter is subject to its oversight and this effects on his independence.

### **Second: device budget**

Financial independence is one of the most important pillars of the independence of the supreme financial oversight bodies and an incentive to perform the oversight work freely away from the pressures of the executive authority. Financially, the fact that the last controller of the Bureau's budget is the Ministry of Finance, because there is no legal text obligating the Ministry of Finance to approve the Bureau's budget as a number included in the state's general budget, as the Bureau's role is limited to preparing and approving the draft annual budget of the Bureau in accordance with the general directions of the state and sending it to the Ministry of Finance to unify it within the general budget For the state, according to Article (21 / Fifth) of the Bureau of Financial Supervision Law No. (31) for the year 2011 as amended, and the budget may be subject to amendments from the Ministry of Finance according to the policy and program of the government, and this would violate the financial independence of the Bureau, unlike the French Court of Accounts, which has an independent budget It is listed by the National Assembly, as is the case with the British National Audit Office, as it is directly linked to the Council In general, in Egypt, the Central Auditing Organization enjoys complete financial independence, as the agency has an independent budget and is included in one number





in the state budget, as Article (28) of the Central Auditing Organization Law No. (144) for the year 1988 as amended states that (the agency has an independent budget and is included in one number in balancing).

### **Considering the functions of the Diwan, they are as follows**

First: Preserving public money from wastage, waste, or misuse, and ensuring its efficient use.

Second : Developing the efficiency of the performance of the entities subject to audit.

Third : Contribute to the independence of the economy and support its growth and stability.

Fourth : Spreading accounting and auditing systems based on local and international standards and improving rules.

In view of the competence of the Bureau, we find that it aims to achieve both financial control and performance control, we find that in practice the level does not rise to the required level, that is, the comprehensive level of control, which resulted in many problems, corruption, waste of public money, and the large number of fake projects and companies that do not exist on the.

### **The second requirement**

#### **The reasons that led to the failure of Financial control to achieve its objectives**

First - the reasons for the lack of the concept of oversight

So far, a clear and specific concept of oversight has not been formulated accurately, according to the approach to sustainable development, and it has not been precisely defined in a way that guarantees the preservation of public money and works on its development and its best utilization, a possible exploitation in a way that guarantees maximizing the benefit of society in a sustainable manner and works on distributing national resources fairly among the different classes. And the different groups of society and between different generations, where the concept of control over public money in the culture of the legislative authority was reduced to documentary control only on the exchange of items of public money, and accordingly the functions of the oversight bodies were reduced to a minimum, and their role was reduced to the extent that these bodies perform a formal function only without Achieving effective, integrated and comprehensive control.

Second - Reasons related to the weakness in drafting laws regulating the control of public funds.

### **Manifestations of legislative weakness in some texts are as follows:**

The tools of the Federal Office of Financial Supervision are supervisory tools that reveal financial irregularities From the extrapolation of the provisions of the Federal Office of Financial Supervision Law, we find that its regulatory tools perform a function that detects financial violations, because the legislator did not grant the Bureau the authority to force the entities subject to its oversight to deal with financial violations, just as the Bureau does not have investigative powers or competences to impose penalties on the violating entity, and everything that the Bureau owns Addressing the House of Representatives, the Council of Ministers, or the investigative authorities. And take the necessary measures regarding these violations, and these tools are to review, conduct an inventory, and obtain Clarifications, information and answers from various administrative levels, and carrying out examinations based on For the council's decision to grant grants, subsidies, loans, facilities, concessions, and investments, and verify their existence An employee for the purposes for which she was submitted, according to Article (13) of the Bureau of Financial Supervision Law No(31) for the amended year 2011, and these tools lead to the detection and diagnosis of violations and breaches in. Laws, regulations and instructions without the possibility of self-treatment and the imposition of penalties.

### **We can identify the weaknesses in the powers of the Board of Supreme Audit as follows:**

**1-** The Bureau does not have the authority to conduct an administrative investigation, but in case a violation is discovered, it must request the Integrity Commission to conduct the investigation, take the necessary measures and remove its effects (Article 14) of the Bureau Law, although the legislator did not specify the type of investigation required, whether it is of an administrative nature or Criminal, but the investigation intended from our point of view is the administrative investigation because the Office of the Inspector General can only conduct an administrative investigation with the approval of the competent minister, and the Integrity Commission conducts a criminal investigation under the supervision of the judiciary, and we believe that obligating the Bureau to refer violations to the Integrity Commission when it is newly established is incomparable Its history and the experience of its members The history and experience of the Device and its members, whose establishment dates back to 1927, would degrade the status of the Device.



2- The Bureau has limited powers to conduct an administrative investigation into the financial violation discovered directly from it, and it is assumed that with the dissolution of the offices of the general inspectors according to Law No. (24) of 2019, the authority of the administrative investigation becomes an original authority of the Bureau after it was an exception, and it is also noted that the legislator did not explain precisely What is the administrative investigation conducted by the Bureau, is it in accordance with Article (10) of the Amended Law of Discipline of State and Sector Employees No. (14) of 1991? And if the answer is affirmative, then this would expose the procedures of administrative investigation and the imposition of disciplinary penalties by the Bureau on the employees of another department to challenge their illegality due to lack of jurisdiction, and therefore this requires the existence of a legal regulation related to administrative and financial investigations and methods of investigation and inspection conducted by the Bureau to track and detect financial irregularities And take legal measures directly without resorting to the powers of the authorities subject to their oversight. In Egypt, the head of the Central Auditing Organization has the powers to follow up the procedures for holding those responsible for committing them accountable. He also has the right to request that the person be brought to disciplinary trial, and the authorities concerned with the referral are obligated to initiate the disciplinary action procedures within the next (30) days of the referral request. He also has the right to request a review of the decision of the authority. He may also appeal the decisions and judgments issued in the matter of financial violations based on Article (5/Third) of the Central Auditing Organization Law No. (44) of 1988 as amended, as well as Article (13) of the Administrative Prosecution and Disciplinary Trials Law No. (117) for the year 1958 amended by Law No. (171) for the year 1981 and Law No. (12) for the year 1989, which stipulated that the head of the Central Auditing Organization be notified of the decision issued by the administrative authority regarding financial violations and the head of the agency within (15) day The employee is requested to be brought to the Disciplinary Court.

3- The Bureau's employees and the financial oversight bodies operating in the ministries or even the head of the Bureau of Financial Supervision do not have the authority to refer the employee responsible for the violation to investigation or to withdraw his hand. On financial violations, and the employee does not have the right to include the damages incurred by the state

treasury, and everything owned by the President of the Bureau, to request the minister or the head of the entity subject to his oversight according to Article (15) of the Federal Bureau of Financial Supervision Law No. (31) for the year 2011 as amended. This is a clear shortcoming in the legislation that limits its effectiveness.

4- Because the Federal Bureau of Financial Supervision does not have the authority to investigate, refer for investigation, or initiate legal procedures for financial violations, its role is limited to informing the competent investigative authorities such as the Integrity Commission and the Public Prosecution, each according to its competence, for each financial violation that it discovers.

5- The law of the Audit Bureau lacks mechanisms for regulating the relationship with its liaison and with the entities subject to its oversight, and the lack of clarity of cooperation mechanisms would raise problems in application and reduce the effectiveness of the Bureau's work because it is considered a dependency factor and not an independence factor, but with reference to the text of Article (9) ) From the internal regulations of the Bureau of Financial Supervision No. (1) for the year 2011, we find that it stipulated the formation of the House of Representatives Affairs Department. The tasks of this section are coordination and organizational tasks, and for the purposes of follow-up with the specialized committees in the House of Representatives and follow-up on requests and inquiries submitted by the House of Representatives or one of its members related to oversight and audit work The private bodies of the Diwan shall submit the Diwan's observations on the draft general budget law and draft

#### Third: Transparency

Although the Federal Office of Financial Supervision law authorized the publication of the Bureau's reports as one of the tools for monitoring and evaluating performance, there are many restrictions that prevent the application of the principle of transparency and the strengthening of the Bureau's relationship with public opinion, civil society organizations and specialized professional centers concerned with combating corruption, protecting public money, supporting economic growth and ensuring Its stability by reducing the waste of public money, and this is what we will address as follows:

1- The annual reports of the Bureau of Financial Supervision are the outcome of an oversight harvest of the activity and work of the Bureau of Financial



Supervision on the entities subject to it. They also include data, statistics and results of the Bureau's annual plan. The law obliges the Bureau to submit an annual report to the House of Representatives within (120) days from the end of each year. However, the law did not oblige the Bureau to publish and inform the media about these reports, and although the Bureau took the initiative to publish these reports on the Bureau's website, and this step is credited to it in the field of pursuing transparency in oversight work, the law did not specify the binding effect of these annual reports that include an evaluation and the effectiveness and adequacy of the government's procedures, and not specifying this effect would prejudice the principle of accountability of government agencies.

2- The legislator restricts the publication of oversight reports submitted to the House of Representatives in the field of monitoring the evaluation of financial, administrative and economic performance, or making them available to the media or to any competent authority with the approval of the House of Representatives. Such a restriction constitutes a violation of the principle of transparency and accountability. Oversight reports lead to discussion or questioning of the executive authority, but rather lead to placing the oversight body in the position of defending its criticisms or observations directed at the government, while the body subject to oversight is not required to justify.

3- The aforementioned Court Law limited the right to request access and provide information and oversight reports to the media and the competent authorities in the event of their request, and the law did not indicate what these competent authorities are, whether governmental or non-governmental, supervisory or non-oversight, and the law did not include anything indicating the possibility Citizens, researchers, and civil society organizations request the provision of these data and information and their disclosure by the Bureau. The law also restricts access to reports affecting national security with the approval of the House of Representatives. International standards for supreme oversight bodies, and making the publication of reports affecting national security with the approval of the House of Representatives, as the results of the survey indicate the supreme oversight institutions and their independence within the framework of the open budget initiative conducted by the International Budget Partnership (IBP) with the aim of standing on the transparency of government budgets in (85) One of the countries of the world has serious and worrisome

results, as 80% of the world's governments are remiss in informing their citizens of information. necessary to hold these governments accountable for how they deal with people's money, and that (50%) of the countries included in the assessment of this institution tend to limit the volume of published information in order to be able to withhold spending that lacks a popular base and is marred by waste and corruption, and the study found that the countries are the weakest in terms of their apparatus Regulatory countries are the ones with the least transparency and limited freedom of access to information.

4- One of the manifestations of transparency is that the BSA law specifies the entity that undertakes auditing the Bureau's budget accounts, as the Bureau law did not specify the mechanism for auditing the Bureau's accounts and the entity that undertakes that, just as the constitution did not specify the entity that undertakes auditing the accounts of the Bureau of Financial Supervision, so it can be said in terms of The principle is that the work and accounts of the Device are subject to its own control, in addition to what is known as peer control (Peer review) .

Fourth: professionalism

Professionalism is one of the core values in the strategy of the supreme oversight and auditing institutions, and this is indicated by the strategy of the organization (INTOSAI) for the next stage. The Federal Bureau of Financial Supervision law stipulates that the Bureau performs oversight and auditing in accordance with the approved local and international rules, principles and standards, and the accepted methods and means (Article 11 of The Bureau Law), and the strategy of the Federal Bureau of Financial Supervision for the coming years was taken from the principle of professionalism and the completion of control work in accordance with the standards of the supreme institutions of financial control to build effective institutions that respond to the goals of sustainable development to make a difference in the life of citizens as one of the goals of the Bureau, as it was taken from the report on the principles of integrity, transparency and government Rational and proper use of money, and the use of international standards issued by the International Organization of Supreme Audit Institutions (INTOSAI) as goals to work towards achieving in the coming years. intosai (cal Integrity, independence, objectivity, impartiality, professional confidentiality, competence, trust, honesty, credibility, political neutrality and professional development), the standards followed by the Bureau must be stipulated as reliable standards in measuring and evaluating what



must be followed in the performance of work, and they are an objective model or example to be followed by Application, as its existence is a sound indicator for the auditor or auditor to ensure giving a neutral technical opinion about the truthfulness and fairness of the financial statements and documents of the entity subject to audit or oversight. For example, we find that the American Association of Certified Public Accountants (AICPA) divided the professional standards for auditing into three groups: general or personal), (field work standards) and (report preparation standards), and we did not find in the Bureau's law or its internal system a reference to these standards, even in general, and finally it must be noted that the Federal Office of Financial Supervision was launched in the field of the institutional integrity project (Guide for Integrity Measurement Indicators in Agencies Subject to Audit) as an initiative to enhance integrity in government agencies.

#### **Fifth: The quality of the control process and the credibility of the control outputs.**

There is a close correlation between the quality of mechanisms, tools, and standards and between the professionalism of the audit process and the credibility of the audit outputs such as reports, statistics, etc. Quality on its website, however, these standards will remain guiding unless they are placed in a legislative framework or a text is set in the law that requires action to ensure consistency with the Bureau's directions towards adopting the standards of the International Organization of Supreme Audit Institutions (INTOSAI). This is what the study reached (Ahmed Talal, pp. 12-29), and therefore it is necessary that the legislative framework for the work of the Bureau include a text on the obligation to work according to the standard of quality control).

#### **Sixth: comprehensiveness**

The oversight of the oversight and accounting agencies must be comprehensive in the sense that it covers all the work and activities carried out by the administrative unit subject to oversight, inclusive of all aspects of oversight. Central Auditing, which is financial oversight in both its accounting and legal parts, performance oversight, legal oversight of decisions issued regarding financial violations, and this is what is stipulated in Article (2) of Central Auditing Organization Law No. (144) of 1988 as amended, and in the United Arab Emirates, the Audit Bureau exercises oversight Financial, legal, performance control and electronic control (IT - Audit) based on

Article (5) of the Law of Reorganizing the Audit Bureau No. (8) for the year 2011, while the Federal Office of Financial Audit in Iraq and based on Article (6) of the Federal Audit Bureau Law No. (31) ) of the amended year 2011, as it exercises three types of controls: (financial control, compliance control, and performance evaluation control), and we can point to a law The Court stated that the legislator neglected to take note of the following aspects:

1- Not providing for electronic control to verify the level of information security of the electronic environment and the extent of operational efficiency of the systems to achieve the objectives set for them, such as examining systems, programs, applications, databases, media and electronic files, and evaluating the degree of protection and confidentiality. It is worth noting that Article (3) Paragraph (Seventh) of the internal system of the Federal Bureau of Financial Supervision, No. (1) for the year 2012 stipulates the formation of the Electronic Control and Audit Department to undertake the tasks of controlling the audit of electronic systems and databases in the entities subject to audit, while it did not The Device Law includes this kind of oversight, and it was better not to ignore it.

2- Not directing the legal oversight of decisions issued regarding legal violations, and he does not have the authority to follow them up, request a reconsideration of them, or a judicial appeal, and the Federal Office of Financial Supervision Law did not define the concept of a financial violation and distinguish it from an administrative violation, since the financial violation is the breach of the employee or worker According to an established financial rule that may result in actual damage to the administrative body to which he is affiliated or not, while the administrative violation is the employee's breach of his job duties that does not result in financial damage to the state.

3- Despite the importance of the role of the Federal Office of Financial Supervision in monitoring the implementation of the state's general budget, as it is the estimated statement of the state's expenditures and revenues related to its activity during a future period of time, to ensure that the executive authority has implemented the budget according to the content of the authorization granted to it by the legislative authority and to verify that the expenditures are disbursed The collection of public revenues has been carried out in accordance with the objectives of the budget and the detection of errors and abuses. However, we can indicate the weak role of the Bureau in the stage of preparing the final account document,





as this document is prepared by the Ministry of Finance, and the role of the Bureau is limited to submitting its report without having the power to oblige the government to submit. The final account through a certain period of time or interfere in its audit after its preparation by the Ministry of Finance.

All the previous reasons led to the failure of the Financial Supervision Bureau to fulfill its objectives, as corruption has permeated all administrative levels, especially in the field of public administration. Financial corruption to reduce it to the minimum level and to make the best use of national resources

Third: Reasons related to the work environment in Iraq,

1- including the spread of self-interest groups at the local level and the overlap of interests between the legislative, executive, judicial, supervisory, businessmen and public figures.

2- The increasing rate of waste of public funds leads to the obstruction of the implementation of development plans, especially in developing countries.

3- The prevalence of corruption at all administrative levels, from senior to lower levels.

4- Obsolescence of audit accounting systems .

5- The absence of the criterion of competence when selecting leaders and the primacy of the standard of people of trust.

6- Lack of independence of the regulatory and judicial authorities. The weakness of the internal financial supervisory bodies in government units.

And that all these reasons have combined and led to these violations with this large amount of waste of public money.

### **RESEARCH SUMMARY AND RESULTS**

This research attempted to answer many questions, the first of which was what is the comprehensive concept of control over public money and is it applied in the Iraqi reality. In this research, the study reached a conclusion that the concept of oversight should be expanded to include instead of financial oversight only oversight of performance with the required efficiency and effectiveness, and without being limited to oversight of the exchange process to extend to include defining goals, prioritizing their implementation, and oversight over the feasibility of alternatives. possible to implement the goals and choose the appropriate alternative to achieve each goal and instead of controlling the exchange process only, it must be expanded to include control over the economic, social and environmental aspects. The need for a clear definition of what achieves the objectives of control according to the approach to sustainable development.

The second question was: What are the reasons for the failure of the public money control system in Iraq to achieve its objectives? Through the study, it was concluded that one of the most important reasons that hindered the agency from achieving its objectives was the lack of complete independence of the agency, which resulted in many problems that hindered the agency from carrying out its basic function. The reasons that hindered it were summed up, including reasons related to the inadequacy of the comprehensive concept, others related to the formulation of laws regulating the control of public funds, others related to the work systems of the oversight agencies, and others related to the work environment. Monitoring and developing its goals and functions to enable it to achieve effective oversight to activate its role in controlling public money and combating financial corruption to reach the minimum level and optimal utilization of national resources.

### **SOURCES**

1. Law of the Federal Office of Financial Supervision in Iraq No. 31 of 2011 as amended.
2. Law No. (144) of 1988 amending the Central Agency for Public Accounting in Egypt.
3. The Audit Bureau, financial and legal supervision, performance control, and electronic control in the Emirates No. (8) of 2011
4. Constitution of the Republic of Iraq for the year 2005 Article (103)