

ACTIVATING THE AUDIT COMMITTEES IN GOVERNMENT UNITS AND THEIR IMPACT ON THE QUALITY OF PROFESSIONAL PERFORMANCE OF THE FEDERAL FINANCIAL SUPERVISION BUREAU

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ABSTRACT

This study aims to identify the importance of the presence of audit committees in government units. It also aims to find field evidence of the impact of these committees on the quality of professional performance of the bodies of the Federal Financial Supervision Bureau. The research is important because of the scarcity of research that shed light on the role played by the audit committee. It also highlights the oversight role of these committees in the event of their creation in government units. This work aims to test the hypothesis of field research in the Iraqi environment, which would contribute to enriching the accounting thought on the one hand, and pushing towards activating the creation of these committees in the Iraqi government units on the other hand.

There is a big interest in the role that the Audit Committee can play in examining the finance and economy of companies, projects and government units. However, there is no clear definition of the dimensions of this role with regard to the economic activities practiced by the Audit Committee to achieve the quality of professional performance of the oversight bodies in the Oversight Bureau Federal Finance in Iraq.

According to the aims of the research, the study adopts the descriptive-analytical approach, in order to determine the impact of the formation of audit committees in government units in raising the quality of professional performance of the employees of the Federal Financial Supervision Bureau bodies by designing a questionnaire prepared for this purpose. The study came finds that activating the audit committees in government units will lead to an increase in the effectiveness of internal audit and work to improve and develop it. Furthermore, it improves the quality of the professional performance of financial control bodies, and then increases the effectiveness of the oversight cycle.

The regulations and instructions should include an obligation to the audit committees in government units.

The study is conducted on the local businesses environment that do not keeping pace with the changes taking place in the business environment in audit committees and limiting their work to traditional aspects.

Keywords: Audit Committee, Government Units, Federal Office of Financial Supervision.

INTRODUCTION

Audit committees are one of the mechanisms of governance and the cornerstone of protecting the interests of shareholders and other stakeholders. Currently, audit committees have received great attention from specialized international bodies and researchers. In particular, this happens after the failures that engulfed major international companies. This interest is due to the role that can that audit committees play as a mechanism of governance mechanisms in increasing the credibility and transparency of the information disclosed by companies, especially financial information. This is led to the international stock exchanges asking companies registered in them to form audit committees to improve the quality of financial reports to be more credible. The success of the Audit Committee requires the ability of its members to perform their work efficiently and effectively or contribute to increasing its effectiveness and maximizing the benefit derived from it (Felo et al., 2003).

With regard to the Iraqi environment, Law No. 21 of 1997 (amended) addressed the audit committees in the eighth paragraph of Article (117), which stipulated that the board of directors establish two committees from its members to make recommendations:

1. Choosing independent financial auditors who are not working in the company as a committee for financial control and auditing.
2. Determining the nature and amount of fees paid to the members of the Board of Directors, the authorized manager and the remuneration committee.

Regarding the Banking Law No. (94) for the year 2004, Article (24) stipulates that each bank shall form an audit committee, so that the audit committee shall consist of no less than three members. Also, they may be reappointed for subsequent periods and for the same period (Hamdan, 2015).

On the other hand, most countries of the world have realized the importance of the role played by government audits and have sought to establish neutral organizations that monitor and review the accounts of governments. These organizations were known (1) as Supreme Audit Institutions (SAI) and are specialized in reviewing government units in different countries of the world, after establishing an independent, non-governmental body. In 1955, it was called the International Organization for Supreme Audit Institutions (INTOSAI), which has 180 members. The Federal Audit Bureau is one of the founders of this organization, and therefore it is entrusted with reviewing government units in Iraq, committed to the guidelines and standards issued by INTOSAI (INTOSAI).

The Federal Financial Supervision Bureau is the highest financial oversight body linked to the Iraqi Council of Representatives based on Article (102) of the Constitution of the Republic of Iraq for the year 2005 represented by the President of the Bureau or whomever he authorizes. It undertakes the control of public money wherever it is found through monitoring the work of the entities subject to the scope of its control in all parts of Iraq. Under its Law No. (31) of 2011 (amended), it is considered one of the leading agencies in protecting public money, detecting fraud and manipulation cases, combating financial and administrative corruption, and actively contributing to supporting the national economy.

In sum, activating audit committees in government units will contribute to preserving public money, combating financial and administrative corruption, and consolidating the principles of integrity and transparency in public work. It will also increase the effectiveness of

the audit, improve and develop the quality of the professional performance of the bodies of the Financial Supervision Bureau. Thus, it increases the effectiveness of its supervisory role. Is it possible to find field evidence in Iraq on this relationship, this is what the research will answer theoretically and practically.

The Problem of the Study

Because of the role played by the Audit Committee to provide confidence to stakeholders, it has received the attention of many professional organizations, legislative authorities and bodies supervising securities markets (FRC, SEC, AICPA) whether at the international or local level in terms of its importance, composition, identification of its tasks and the form of its report.

The experience of audit committees has proven their success in private sector units, through their supervision of internal audit work, examination and evaluation of the internal control system, risk management, supervision of the financial reporting process, and so on. Therefore, there is a need for audit committees in government units to preserve public money and to combat financial and administrative corruption. It also helps to improve the financial and administrative control exercised by the oversight bodies of the Board of Financial Supervision on government units. The presence of audit committees in government units will improve the quality of the professional performance of oversight bodies, and thus increase the effectiveness of the supervisory cycle.

The research problem can be expressed in answering the following theoretical and practical the following questions:

1. What is the feasibility and importance of having audit committees in government units?
2. What are the tasks and responsibilities that audit committees should have in government units?
3. What are the most important working mechanisms of audit committees in government units?
4. What is the oversight role played by the audit committees in government units and the impact of activating this role?
5. What is the impact of activating audit committees in government units on the quality of professional performance of the bodies of the Board of Supreme Audit?
6. Is the relationship under study testable in Iraq?

Research Aims

This research aims to study and test the impact of audit committees in government units on the quality of professional performance of the bodies of the Federal Financial Supervision Bureau. This is by identifying the role of audit committees in government units, and comparing their roles, objectives and responsibilities in private and government units, and the impact of their activation in units in terms of the quality of performance of the Federal Financial Supervisory Board bodies.

The importance and motives of the research

The research is academically important because of the lack of research that dealt with the role of audit committees in government units and the impact of activating these committees on the quality of the professional performance of the Federal Financial Supervision Bureau. In

addition, it focuses on the oversight role of audit committees, as their presence contributes to the optimal use of economic resources in a way that enhances the confidence and users of the unit's services. In addition, it improves communication and contributes to solving problems that occur between auditors of regulatory bodies, the management of the government unit and the internal audit department.

The research also derives its practical importance because it seeks to test its assumptions practically in the Iraqi environment, which is one of the encouraging things for research in this field to enrich accounting thought on the one hand, and to develop the supervisory role of the Office of Financial Supervision on government units, on the other hand.

The study limits

This research is limited to studying and selecting the impact of activating audit committees in government units on the quality of professional performance of the Office of Financial Supervision. Thus, the role of audit committees in economic units, whether public or private, is outside the scope of this research. Also, the research is limited to universities and regulatory bodies operating in the city of Fallujah. Finally, the ability to generalize the results will be conditioned by the controls for selecting the study sample.

Previous studies

Pathak (2006) aimed to analyze the effects of corporate governance on the efficiency of the internal audit process and to strengthen the independence of the internal auditor. The study concluded that the role of the audit committees is no longer limited to examining the financial statements of companies, but has extended to include following up the work of the external and internal auditors. It also evaluates the internal control system and appointing and dismissing the external auditor.

Abd El Salam tested the relationship between the effectiveness of the audit committee, measured through its characteristics, the size of the committee, its independence, its meetings, and the sustainable growth of companies. The study showed that there is a positive and moral relationship between the independence and meetings of the Audit Committee on the one hand, and the sustainable growth of companies on the other hand.

Mahrous & Ramadan (2021) examined the impact of the characteristics of the audit committee and the ownership structure on stock price fluctuations during the coronavirus crisis, and the study found a statistically significant negative impact of the audit committee's independence on stock price fluctuations during the coronavirus crisis. The researchers recommended the Egyptian Financial Supervisory Authority and the Egyptian Stock Exchange to monitor the effectiveness of the audit committee and to stress the need for the committee's independence to limit stock price fluctuations during crises.

Ali (2021) studied the effect of the audit committee's effectiveness, as a modified variable on the relationship between accounting information and stock prices. The results of the study showed that the accounting information measured in terms of both the book value of the share and the per share of the net income have a positive and significant effect on stock prices. In addition, it showed that there is a positive and moral effect for both: The size, independence and number of audit committee meetings, on the relationship between accounting information and

share prices of listed companies. The researcher recommended the necessity of activating its role in order to ensure the quality and transparency of the financial statements corresponding to the needs of investors in the stock market.

Audit Committees

The concept of audit committees

There is no unified concept of audit committees because the responsibilities and tasks of audit committees may differ from one company to another and from one country to another. (Act, 2002) defined it as a committee formed from among the members of the board of directors aiming to achieve oversight of reports Finance and auditing of financial statements (5P). (SOX, 2002) defined by Arens, Elder, and Mark (2012), as a number of persons selected from the company's board of directors, responsible for maintaining the auditor's independence from management. It consists of three to five members and may extend to include seven members of the non-executive board of directors.

Finally, it was defined as a committee consisting of a number of non-executive board members appointed from outside the company. Thus, it coordinates the work of the external auditor and management in a way that leads to support the independence of the internal auditor and increases the effectiveness of the audit process. It increases the effectiveness of the internal control structure as well as being a protection for shareholders and other parties from fraud cases in the financial statements (Mahrous & Ramadan, 2021).

Based on the foregoing, the Audit Committee can be defined as a pivotal mechanism of governance, as a sub-committee emanating from the Board of Directors consisting of three non-executive or independent members, provided that they do not exceed five members. The committee does not have any interests in the company. Rather, it has Financial and accounting expertise, in addition to the independence and competence that qualifies them to carry out the various tasks that contribute to achieving the goals for which they were set.

Objectives of forming audit committees

The audit committee aims to:

1. Support the independence of the external auditor, as it is one of the positive mechanisms in improving his professional performance because it works to settle any disputes that may arise between him and the company's management. It also provides adequate protection for his independence (Abdullah, 2016),
2. Ensure the appropriateness and adequacy of the internal control structure and the effectiveness of its implementation. This is by submitting recommendations that would activate and develop this structure to the Foundation's Board of Directors (Ali, 2009).
3. Assist the executive board members to fulfill their responsibilities by performing a set of functions to help them perform their work and integrate with them in order to achieve the company's general objective (Braiotta, 2004).
4. Support the independence of the internal auditor by recommending the appointment of the head of the audit department. It provides the necessary financial resources, and meeting on an ongoing basis to solve the problems they face (Noha & Afaq, 2019).
5. Control the quality of financial reports by examining the financial reports and studying the accounting policies and methods applied by them to reduce the cases of manipulation, fraud, fraud and all illegal acts in the financial reports (Sami, 2009).

Responsibilities of the audit committees

Although the responsibilities of the Audit Committee differ in different countries, these responsibilities are represented in four main levels (Alzeban & Sawan, 2015).

A. Supervising the process of preparing the financial statements, through:

1. Demanding the financial department to prepare and discuss the file of the financial statements and the accompanying clarifications for a specific financial period.
2. Studying the items of the financial statements and statements to verify the extent to which they express the true financial position.
3. Studying the integrity and stability of the accounting policies and practices used in preparing the financial statements and their compatibility with the approved standards and laws.
4. Ensuring the effectiveness of the accounting system and the accuracy of the reports issued by it to meet the needs of the institution. It also ensures the extent of its contribution to reviewing and examining its documentary cycle.
5. Studying the data and the results of the institution's work, as well as discussing the activity follow-up report for the period.
6. Reviewing the rates of development of the financial indicators of the institution and the extent to which it enjoys a good financing structure.
7. Understanding the liquidity position of the institution, by reviewing the list of cash flows and reviewing any official statements related to its financial performance.
8. Ensure the adequacy and appropriateness of disclosure in the quarterly and annual financial statements when preparing them.

B. Evaluating the efficiency and effectiveness of the internal control structure and risk management; and that is through:

1. Evaluating the efficiency and effectiveness of the internal control structure. This is by requesting the auditor to provide the committee with a report on the extent of safety and efficiency of this structure.
2. Studying the structure and internal control procedures applied in the institution, verifying their adequacy. It also ensures the extent of the administration's commitment to applying them to all departments in the institution.
3. Including in the internal control structure the system of delegation of powers. This is in addition to the responsibilities to all functional levels.
4. Ensure that there are no violations of the institution's articles of association, as well as the laws and regulations related to the institution's activity.
5. Studying the scope of the exchange powers to verify the institution's commitment to the regulations and laws and that there is no transgression against them.
6. Ensure the existence of all legal documents that prove the institution's ownership of fixed assets and other assets.
7. Examining the periodic reports submitted to the various administrative levels to ensure that they are properly prepared and the timing of their presentation is appropriate.
8. Recommending the appointment of a risk management officer.
9. Studying the minutes of the Risk Committee on the provisions to be formed at the end of the period, and recommending the Board of Directors for approval.

C. Supporting the internal audit function:

The Audit Committee supports the performance of the internal auditor by taking the following steps:

1. Ensure the independence of the Internal Audit Department through its subordination to the Board of Directors.
 2. Ascertain the efficiency of the personnel in charge of the internal audit department and recommending their support with experienced and qualified personnel.
 3. Recommending the appointment of internal auditors to support the Internal Audit Department, as well as discussing the appointment of a head.
 4. Following-up that the Internal Audit Department reviews all payments and receipts, whether checks or cash.
 5. Meeting with the internal auditor to ensure the institution's compliance with the laws and instructions regulating its workflow.
 6. Recommending that the Internal Audit Department identify, study and review the main risks of the company, so that the committee can verify the company's ability to manage these risks.
 7. Studying all the reports prepared and submitted by the internal audit department of the institution during the period and the extent of the response and commitment of the executive management to the institution and all its sectors and departments
- D. Supporting the external audit function, through:
1. Recommending the appointment and renewal of the appointment of the auditor, determining his fees, and studying his suitability for carrying out the tasks entrusted to him by the General Assembly.
 2. Ensuring the extent of the auditor's independence. It also deals with the absence of any relationships that could negatively affect his independence.
 3. Coordinating the auditor and the management of the institution to ensure that the administration provides all data and information to him and to review such data and information.
 4. Verifying that the auditor does not have any reservations about the provisions made in the institution during the previous year, and that they are sufficient.
 5. Ensuring the appropriateness of the audit plan prepared by the auditor to carry out its tasks assigned.
 6. Requiring the auditor to provide the committee with a report on the soundness and efficiency of the internal control structure.
 7. Reviewing the auditor's report on the institution's financial statements, and the extent to which the auditor acknowledges that these statements express fairness and clarity, in all their important aspects, of the financial position.

The impact of the presence of audit committees in government units on the quality of performance of the bodies of the Board of Supreme Audit:

Audit committees in government units: In 1985, the Institute of Internal Auditors in the United States recommended that all listed joint stock companies should form audit committees from external directors, and stressed the importance of forming such committees in other entities, including non-profit organizations and government agencies. According to the institute's view, if the private sector resorts to using audit committees to achieve strong supervision, and to ensure its financial and moral soundness, this supervisory role is necessary for an effective government. This is to provide it with a similar role. So it must form in the government sector audit committees to enable it to follow up on issues important. Furthermore, it provide the necessary protection for the property of this sector, and ensure the financial and ethical soundness of performance, as it can support both the independence, safety, and effectiveness of government audit functions, through independent oversight of plans and results, and assessment of audit needs for resources. It also ensures that the results and any recommended improvements, corrective actions, or solutions have been developed (Auditors, 2006).

Each government unit is required to evaluate its government mission to decide whether the audit committee is appropriate for its specific situation, and the nature of the audit function. In addition to the decision of the ruling or legislative authority, in some governments, audit committees are formed as subcommittees of the legislature or the board of directors. In other governments, audit committees may consist of members of the public chosen by the legislature, the executive, or both. Audit committees may be formed in some governments from ministers or directors from external supervisory bodies. The establishment of the audit committee needs to work under an official mandate, giving it sufficient authority to complete its mandate, but it is better that its work be based on a legal text, and include independent members. So they collectively possess sufficient knowledge of auditing, financial, risk and control (INTOSAI).

Thus, the importance of the presence of the audit committee within the organizational structure of the government unit becomes clear. Thus, it is given complete independence in its relationship with the internal audit department, by supervising it, ensuring the quality and objectivity of its work, in addition to increasing its independence. All these supports the role of this department in the event of interventions Negative by the top management of the organization. Perhaps, the foregoing leads to the importance of the role that audit committees can play in the event they are established within government units, as they are supposed to support the independence and objectivity of the internal audit department. Also, they play a supervisory role over both senior management and internal audit, and therefore the senior management is not unique in supervising the management Internal audit, but it shares with the audit committee in this supervision. Its presence also improves the quality of professional performance of financial supervisory bodies.

Comparison between the roles, objectives and responsibilities of the Audit Committee in economic and government units:

Because of the role played by the Audit Committee in providing confidence to stakeholders, it has gained the attention of many professional organizations, legislative authorities and bodies supervising the water securities markets (FRC, SEC, AICPA) whether at the international or local level in terms of its importance, composition, identification of its tasks and the form of its report.

In the government sector, the Audit Committee performs the same roles that it plays in the economic sector, but it is supplemented by some additional tasks related to verifying the efficiency of financial management and the existence of a control system to preserve the assets and assets of the government unit. It ensures the optimal use of economic resources to preserve public money, and combating Financial and administrative corruption. Moreover, it consolidates the principles of integrity and transparency in public work, providing the necessary protection for the property of this sector and ensuring the financial and moral soundness of performance. In addition, the presence of the audit committee in government units will increase the effectiveness of internal auditing, work to improve and develop them. It also improves the quality of the professional performance of financial control bodies, and then increases the effectiveness of its supervisory role.

The effect of activating audit committees in government units on the quality of professional performance of financial control bodies and the derivation of the research hypothesis:

It is expected as a result of the vital role that audit committees can play in government units, as activating them will increase the effectiveness of internal audit. In addition, it improves the quality of the professional performance of oversight bodies, and then increases the effectiveness of their oversight role. Thus, it improves communication between the observer of the financial control bodies, the management of the government unit and the director of the internal audit department. Contribute to solving the financial problems in dispute between the management of the government unit and the supervisors of the regulatory bodies. Finally, it ensures the exploitation to optimize economic resources, which enhances the confidence of stakeholders and users of government unit services in the financial statements and reports it issues.

The researcher believes that activating the audit committees, according to their concept, objectives and previous roles in the Iraqi government units, will have a positive impact on the quality of professional performance of the bodies of the Board of Supreme Audit. Hence, the research hypothesis can be as follows:

The activation of audit committees in governmental units in Iraq positively affects the quality of professional performance of the financial control bodies affiliated to the Federal Financial Supervision Bureau.

RESEARCH METHODOLOGY

This sub-section aims to present the research methodology in preparation for testing the research hypothesis that was reached from the theoretical study. In order to achieve this goal, the researcher will address each of the objectives of the field study, the study population and sample, the tools and procedures of the study, and the hypothesis test. This is as follows:

1. The objective of the field study

This field study aims to test the imposition of the research by examining the relationship between the activation of audit committees in government units and the quality of professional performance of financial control bodies.

2. Study population and sample

The study population is the Financial Supervisory Authority operating in the city of Fallujah. It also includes the account managers and employees of the accounting units at the University of Fallujah, and the study sample consists of (30) single of them (Frag, 2015).

3. Measuring the study variables: The study variables are measured as follows:

- a. The independent variable: The activation of audit committees in government units, was measured by the presence of committees that fulfill the conditions for their formation, and to inform the research sample of that (questions numbers Q2/4, Q2/3, Q2/2, Q2/1).
- b. The dependent variable: the quality of the professional performance of the financial control bodies was measured by the extent to which these bodies achieved their control objectives on government units (questions numbers Q1/8, Q1/6, Q4/4, Q4/3, Q4/2).

Study Tools and Procedures

The field study tools are the questionnaire list that the researcher used as a primary means of collecting study data. The questionnaire list consists of two parts. The first is to obtain general data on the sample items related to the name, academic qualification, current job, years of experience and professional certificates obtained. The second part of the list consists of a number

of questions that measure the degree of approval of the oversight role of audit committees in government units, and the impact of activating this role on the quality of performance. The five-point Likert scale was used to convert the degree of approval into a quantitative form, where the value 5 was assigned to the answer *I completely agree*, the value 4 to the answer *I agree* and the value was allocated 3 to the answer *I agree*, 2 for *somewhat disagree* and finally 1 to is, *absolutely disagree*.

Hypothesis Test

The statistical tests used to analyze the study data:

To analyze the data of the field study, the researcher used the statistical package for social sciences SPSS version No. (22) and the statistical program MINTAB version No. (17) in the processes of data entry and statistical analysis. Then the researcher used the following statistical methods:

Reliability Scale: This work calculates the reliability and statistical validity of the study tool, through the Cronbach Alpha scale for the questions of the questionnaire list in order to know and test the reliability of the sample vocabulary responses to the questions. Also, the validity of the study data for statistical analysis shows the extent to which the results can be generalized from the sample on the study population. The value of this scale ranges between zero and the correct one. If there is no stability in the data, then the value of this coefficient is zero. In contrast, if there is complete stability in the data, then the value of this coefficient is equal to the correct one, and if this scale exceeds 0.60, it is possible to rely on the results of the study and its circulation to the community (Amin, 2008), and the test result was as follows:

	N	%
Cases Valid	30	100.0
Excluded ^a	0	0
Total	30	100.0

Scale: ALL VARIABLES

- a. Listwise deletion based on all variables in the procedure

Cronbach's Alpha	N of Items
.741	30

It is clear from the previous table that the value of Cronbach's alpha reached 0.741 for the questionnaire as a whole. This indicates that it has a high validity, which makes it possible to rely on the results and generalize them to the study population.

Moderation test: Kolmogorov-Smirnov: This test is used to determine whether the study population from which the sample was taken has a normal distribution or not to determine the quality of the test used. The statistical hypothesis for this test can be formulated as follows:

H_0 : The Data Follow a Normal Distribution

The null hypothesis: sample data drawn from a population with a moderate distribution

H_1 : The Data Do not Follow a Normal Distribution

Alternative Hypothesis: Sample data drawn from a population that does not have a moderate distribution. Judgment rule at a confidence level of $(\alpha - 1)$ 95% and a degree of error (α) 5%. If the critical probability value P-Value (the level of significance. Sign) is greater than or equal to 5%, the null hypothesis is not rejected. This means the study population from which the sample was taken is not normally distributed. If the critical value P-Value is less than 5%, the null hypothesis is rejected, and then the alternative hypothesis is accepted (meaning the study population from which the sample was taken has an abnormal distribution). The results of the One-Sample Kolmogorov-Smirnov Test appear in the research appendix of the results of the statistical analysis, and the probability value is 0.000. Then the null hypothesis is rejected and the alternative hypothesis is accepted. That is, parametric statistical methods cannot be used on the data of the study, therefore the trend should be towards scientific methods, and then the researcher will rely on the Wilcoxon test.

Wilcoxon Signed Rank Test: This test calculates the Estimated Median for each question of the list questions, and it can be calculated for each homogeneous group of questions or for the questions of the survey list as a whole.

The result of the field research hypothesis test

The field study aimed to test the impact of the presence of audit committees in government units on the quality of professional performance of financial control bodies through the following hypothesis:

The activation of audit committees in government units in Iraq positively affects the quality of professional performance of the financial control bodies.

Accordingly, the statistical hypothesis can be formulated as follows:

H_0 : Median ≤ 3.0

The null hypothesis is the median of the sample's items responses is less than or equal to the neutral value "3."

H_1 : Median > 3.0

Alternative Hypothesis: The median of the sample's items responses is greater than the neutral value '3.'

Judgment rule at a confidence level of $(\alpha-1)$ 95% and a degree of error (α) 5%. If the critical probable value P value (significance level) is greater than or equal to 5%, the null hypothesis is not rejected. However, if the critical value P-Value is less than 5%, the null hypothesis is rejected, and then the alternative hypothesis is accepted (meaning accepting a majority Sample vocabulary for the oversight role of the audit committee in government units.

The outputs of the Minitab program to analyze the one-sample Wilcoxon test are shown as a parameter test in the statistical analysis results (see appendix at the end of the research). The program's outputs shows that the P-Value percentage is less than 5% for the majority of the questionnaire's list questions.

The researcher concludes by analyzing the results of the Wilcoxon test that the items of the research sample are accepted for the majority of the items in the questionnaire, where the value of P-Value is 0.000 for most of the questions. This is also true for the collected variables for the questions of the tasks and responsibilities of the audit committees. It also applied to Q1ALL and the questions of the characteristics of the audit committee. The same is with ALLQ2 and the questions of the mechanisms of work of the audit committees. Q3ALL and the activation questions follow the same trend. It is also similar to the oversight role of audit committees in government units and its impact on the quality of professional performance of the Central Auditing Organization are in Q4ALL. Based on the above, it is possible to accept the imposition of the research, which means that there is a positive impact of activating the audit committees in government units on the quality of professional performance of the control bodies of the Federal Financial Supervision Bureau.

This result is consistent with the conclusions of the majority of previous studies (Frag, 2015; Saraya, 1983). They confirm the importance and impact of activating audit committees in government units in Iraq.

Findings, Recommendations and Suggested areas of Research

This subsection aims to present the results of the research, its recommendations, and the proposed areas of research result:

1. The tasks and responsibilities of the Audit Committee in government units include following up and discussing the annual financial statements and reports with management and representatives of control bodies. They also review accounting policies and ensuring that financial statements and reports are prepared in accordance with government accounting standards and in light of relevant laws, examining the internal control structure and risk management. The Audit Committee also facilitates and improve communication between the unit's management, the regulatory bodies and the internal auditor. In addition, they solve problems and disputes that may arise between them. Furthermore, they oversee the effectiveness of the internal audit function of the governmental unit, studying the auditor's report in the financial control bodies, discussing it with the comments and reservations it contained, and following up on the response of the government unit's management to it
2. The success of the audit committee in carrying out its responsibilities and tasks requires that its members possess a set of characteristics that enable them to perform their work efficiently and effectively. The most important feature is a complete independence from management, possessing a degree of scientific qualification and professional experience, and that the number of members commensurate with the size of the tasks assigned to the committee. Also, they meet Members are able to frequently evaluate the course of things in the company.
3. The availability of a set of mechanisms for the work of the audit committees in governmental units is important. The most important mechanism is the necessity of having a written charter that clearly defines the tasks and responsibilities of the head and members of the audit committee in the governmental unit, which helps it to carry out its work effectively. The Audit Committee issues an annual report on the tasks it accomplished during the year and is published annually to stakeholders in the governmental unit. There is also a need for a good and clear organizational structure with defining authorities and responsibilities. It is the internal audit department to follow the management of the government unit from an organizational point of view. A strong and effective internal control structure in government units is also required.
4. Activating the audit committees in the Iraqi government units will lead to an increase in the effectiveness of internal auditing and work to improve and develop it. They improve the quality of the professional performance of the financial control bodies and then increase the effectiveness of their supervisory role. Besides, they improve communication between the auditors of the financial control bodies and the administration of the government unit and the director of the internal audit department. Finally, they ensure

the optimal use of economic resources, which enhances the confidence of stakeholders and users of government unit services in the financial statements and reports it issues.

Recommendations

In light of the objectives of the research, its limits, the nature of its problem and its conclusions, the researcher recommends the following:

1. The regulations and instructions require the presence of audit committees in government units.
2. The audit committee issue annual reports on the tasks it carried out during the year, and it is published on a level basis to the stakeholders in the government unit.
3. Developing and issuing professional standards for auditing government units issued by the financial control bodies, provided that they comply with the international standards of INTOSA.
4. Providing specialized training courses for internal auditors in the financial and administrative fields, so that the topics that the internal auditor be familiar, such as internal laws and instructions, in addition to the procedures to be followed when carrying out the audit process.

Suggested Future Research

In light of the objectives, problem and limits of this research and the results and recommendations it has concluded, the researcher believes that there are some future research areas, the most important of which are the following:

1. Evaluating the extent to which internal auditors and government unit auditors use materiality and risk assessment in their work.
2. A study to examine the impact of continuous education and training for the auditors of the federal financial control authorities on the quality of their professional performance is needed.
3. Investigation of the influence of the level of awareness of government unit departments of the importance of controlling public money on the effectiveness of audit committees is recommended.

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Appendix

Test Statistics ^a			
Independent	Dependent		
Z	-.125 ^b		
Asymp. Sig. (2-tailed)	.000		
a. Wilcoxon Signed Ranks Test			
b. Based on negative ranks.			
One-Sample Kolmogorov-Smirnov Test			
		dependent	independent
N		30	30
Normal Parameters ^{a,b}	Mean	4.6000	4.6333
	Std. Deviation	.56324	.36984
Most Extreme Differences	Absolute	.395	.273
	Positive	.239	.207
	Negative	-.395	-.273
Test Statistic		.395	.273
Asymp. Sig. (2-tailed)		.000 ^c	.000 ^c
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			