

## The role of governance and internal audit in activating the role of oversight over administrative institutions to reduce corruption and protect the environment.

Abeer Jalal Shehata Al-Shabrawi <sup>1</sup> , Eman Hashem Radwan <sup>2</sup> , Essam Hamdi Amin <sup>3</sup>

1. Institute of Graduate Studies and Environmental Research in Al-Bustan
2. Faculty of Science, Damanhour University
3. Faculty of Commerce, Damanhour University



### **Abstract**

The importance of the research appears by highlighting the important role of the internal audit departments in activating the principles of governance according to new foundations and concepts, which leads to reducing the risks to which the local administration is exposed, especially since recent experiences in the world have shown that weak governance in the local administration system leads to the destruction of national economies seriously, and accordingly, activating the principles of governance, and starting to apply its rules in the administrative apparatus, works to develop the performance of local administration, which is reflected positively, and the research mainly aimed to study the role of governance and internal audit in activating the role of oversight over administrative institutions to reduce corruption, by By achieving the following research goals:

(1) identifying the concept of governance and the reasons for adopting local governance, (2) identifying the development of the concept of internal audit in activating governance, (3) identifying the national anti-corruption strategy (2019-2022), (4) studying the role of governance and transparency in limiting From administrative corruption, (5) Studying indicators, measures and standards of governance, The study recommends the formation of an advisory board headed by the Director General, and the board must be composed of an odd number of members, and the majority of the members of the board must be independent members in order to ensure facilitation of their effective supervision and advisory duties, and to ensure the application of the principles of governance within the unit, and the board is specialized in examining the appeals submitted Against the decisions and recommendations of the oversight and follow-up inspectors. It is also concerned with supervising the digital transformation and supervising work related to governance and internal auditing.

Granting the members of the Advisory Council and the members of the monitoring and follow-up the right to judicial control, and that their supervision and inspection be on all governmental and private agencies and without prior contact to activate the principle of transparency and be surprising, and the members' supervision is not within the geographical scope of their place of residence because the members do not fall into mediation, favoritism and nepotism. By submitting a monthly report on their oversight work, follow-up and campaigns to the Advisory Council, with electronic registration of all work, and granting members of the Advisory Council and members of oversight and follow-up the authority to carry out their work during the full day.

### **Article info.**

Received on:20-8-2023

Accepted on: 27-9-2023

Published on: 1-2024

Open Access

### **Introduction:**

The local administration is a form of local organization, according to which administrative tasks are distributed between the central government and elected and independent local bodies, which perform their functions under the supervision and control of the central government, and are responsible to the residents of those units, and carry out tasks complementary to the mission of the central government. The nineteenth and early twentieth centuries, as a natural result of the quantitative expansion of the functions and duties of the modern state, and despite the existence of countries and systems that have taken this form of government for centuries, the term "local administration" was not legally rooted until in the nineteenth century.

England is considered the first to implement the local administration system in Europe following the issuance of the Administrative Reform Law in 1832, while Egypt was the first Arab country to implement this system. Communities, especially local ones, towards the local authority system, and this was represented in the emergence of new philosophies and methods that made governments follow the path of local governance, and coincided with that the emergence and independence of many developing countries from under Western colonialism, and the adoption and application of developing countries comprehensive economic reform policies based on On the opposite direction of domination and tyranny.

The control that was known and circulated as an idea among developing countries, and the aforementioned era is imposed on them during the colonial era, and the United Nations believes that the local administration is a system of public administration, and it is an administrative means to assist the central government in performing its mission in a more effective

and efficient manner, and thus urges the transfer of some Competences and powers from the central government to the localities to meet their responsibilities within the framework of the distribution of job roles and the division of labor between the central and local levels.

### **The importance of studying:**

The importance of the research appears by highlighting the important role of the internal audit departments in activating the principles of governance according to new foundations and concepts, which leads to reducing the risks to which the local administration is exposed, especially since recent experiences in the world have shown that weak governance in the local administration system leads to the destruction of Therefore, activating the principles of governance, and starting to implement its rules in the administrative apparatus, works to develop the performance of local administration, which is reflected positively.

Internal audit is one of the most important systems of effective governance applied within state institutions of all kinds, especially in the local administration units of the state to benefit from it in tightening control over public funds and contributing to the fight against corruption. For the state" is a major step to tighten control over the units of the administrative apparatus entrusted with raising the efficiency of performance in the various units of the administrative apparatus of the state and reforming the management systems applied in government agencies.

In the coming lines, we will discuss the decision, its importance, impact, and the most important items contained in it, and the proposals that the decision could have included for the effectiveness of its implementation will be presented.

**The study Problem:**

The problem of the study is the application of local governance mechanisms and the characteristics of the Council of Ministers, raising the efficiency of the internal control and audit system, raising the quality of reports, financial and accounting information, and treating the problems facing this local administration. in order to bring about the desired development, as among those modern administrative practices and trends such as governance, Which came as a result of the urgent need to find reforms and developments in the institutional performance of government organizations, as governance focused on making a leap in the nature of performance in all its institutional and human aspects, and tightening control over that performance through several foundations, the most important of which is Centralization, responsibility, transparency and accountability, in order to ensure the rationalization and discipline of performance properly and correctly. It is compatible with achieving institutional and human effectiveness.

**Research aims:**

The research mainly aims to study the role of governance and internal audit in activating the role of oversight over administrative institutions to reduce corruption, by achieving the following research objectives:

- 1- Identify the concept of governance and the reasons for adopting local governance.
- 2- Recognizing the development of the concept of internal audit in activating governance.
- 3- Learn about the National Anti-Corruption Strategy (2019-2022).
- 4- Studying the role of governance and transparency in reducing administrative corruption.
- 5- Studying governance indicators, measures and standards.

**Governance:**

It means good and rational management of all institutions in the state through policies, mechanisms and practices based on transparency, participation, accountability, the rule of law, combating corruption, striving to achieve justice, non-discrimination between citizens, responding to their needs, and seeking efficiency to reach policies and services to the highest level of effectiveness and quality to satisfy citizens, and the concepts of managing local work have developed. From the concepts of local administration and local governance to a new stage of intertwining between the concepts of decentralization and local governance.

Decentralization is generally considered a process of redistribution of political, financial and administrative powers and responsibilities between the central and local governments, and then the process of redistribution of political powers and responsibilities is linked to the process of political decentralization, and the latter may be complete.

The concept of governance appeared at the beginning at the end of the eighties of the twentieth century in the framework of the writings of the World Bank on how to achieve development and combat corruption in African countries. With the beginning of the emergence of the concept, a link was made between governance, government administrative efficiency and economic growth, then the concept took on political dimensions in the early nineties of the The twentieth century, in terms of strengthening participation and the development of civil society, and supporting and activating everything that makes the state and its various units a legitimate representative of its citizens, and finally the concept evolved after that to reflect two important aspects: (1) The

first aspect relates to the effectiveness of institutions related to the management of the affairs of the state and society, (2) The second aspect revolves around a group of concepts controlling and governing the work of these institutions such as accountability, transparency, and others.

### **Reasons for adopting the idea of local governance:**

There are many reasons for adopting local governance as an entry point for developing local systems and supporting local development processes in them, and the most important of these reasons are: changing the role of the state, moving towards decentralization, democratic transformations, improving the quality of local service delivery, and finally the pressures of international organizations, and the following can be mentioned for those reasons:

1- The change in the role of the state, where the concept of governance emerged as a result of changing the role of the state from a major actor in development and making public policies to become merely the first partner among multiple partners in managing development processes at the central and local levels. This change came as a logical consequence of the failure of relying on the public sector to achieve development, and the difficulties faced by central planning as a tool for development in developing countries, in addition to increasing the scope and influence of the private sector and civil society on policies and public administration.

2- The shift to decentralization is one of the reasons supporting the thought of local governance, as it is not possible to imagine the existence of local governance in any system in the world without a shift towards decentralization, and decentralization is one of the intellectual starting points for the concept of local governance.

3- The processes of democratization and the expansion of policy-making at the local level have given a strong impetus towards the application of the concept of local governance in many countries, as the application of a system of local governance works to reconcile legitimate interests with democratic and participatory methods, which helps to reduce conflict rates between the parties. Local participation in local development processes.

4- Local governance works to improve the provision of local public services, including the principles of participation, accountability and transparency, responsiveness, efficiency and effectiveness, justice and inclusiveness, and the rule of law.

5- The increasing role of international and regional institutions in supporting interest in issues of governance and development at the local level, and among the most important of these organizations is the high-level committee of the Secretary-General of the United Nations, which emphasized the importance of local governance as a determinant of local sustainable development, as well as the European Union, the African Union, and the Organization Economic Cooperation and Development and the United Cities and Local Governments Organization affirm that local development cannot be carried out with governmental efforts only, but must be extended to include formal and informal efforts at the local level, and to empower local units in drawing up their development policies by adopting the concept of local governance.

### **The development of the concept of internal audit in activating governance:**

The development of internal audit in order to present a new image and demonstrate its impact on activating and supporting the role of governance, oversight and follow-up, and the most prominent manifestations of this development are as follows:

1- Considering the internal audit an independent activity as a result of its subordination to the supervisory board within the department of the audit committee emanating from it, and it also presents reports to this leadership and to the shareholders when necessary.

2- It is considered an objective activity that carries out internal audit work through professional persons with experience and high skill, whether from inside or outside the local administration.

3- Expanding the scope of internal auditing to include advisory services as well as assurance, examination and evaluation services. This is an explicit confirmation directed at serving citizens as it goes beyond traditional tasks, which supports its role in the field of risk assessment and support of the governance system.

4- The development of the internal audit strategy to aim at adding value to the political leadership and improving its operations. Thus, the new concept emphasizes the essential contribution of the internal audit in achieving the objectives of the political leadership.

5- Emphasis on considering the elements of the internal control system as the necessary entrance to combat corruption and to provide a new and acceptable system of governance. Therefore, it has become necessary for the internal auditor to undertake new tasks and responsibilities in many areas including risk management, control and the governance system.

6- The internal auditor's commitment to perform assurance services that focus on objective evaluation of evidence in order to come up with an independent technical opinion on professional work.

7- Establishing a set of basic principles that express the image that the internal auditing profession should look like, and setting a general framework for improving the

performance of its activities in order to improve and strengthen its operations.

8- Granting the Director General and members of the oversight wide powers in unannounced inspection, while granting the right to judicial control.

### **The National Anti-Corruption Strategy (2019-2022):**

The plan for building the National Strategy (1) for combating and preventing corruption (2019-2022) was based on identifying its real causes and studying the challenges resulting from the implementation of the first phase of the strategy (2014-2018) and setting goals, executive procedures, programs and mechanisms that promote the principles of transparency, integrity and accountability without courtesy. Or discrimination, and contribute to preventing and combating it through the concerted efforts of all parties to the national anti-corruption system and defining roles for each of them.

### **Strategy vision:**

The vision of the strategy aims at advancing society and reaching awareness of the dangers of corruption and rejecting it with the support of an administrative apparatus that upholds the values of transparency and integrity and is known for its efficiency and effectiveness. A societal culture rejecting corruption, supporting the capabilities and independence of agencies and bodies to prevent corruption, and raising the levels of transparency and honesty in the country, in cooperation with local, regional and international stakeholders, in order to achieve Egypt's Vision 2030 and to activate international and regional agreements concerned with combating corruption, especially the United Nations, Arab and African agreements.

**Strategy objectives:**

- A- Developing an efficient and effective administrative apparatus.
- b- Providing public services of high quality.
- C - Activate the mechanisms of transparency and integrity in government units.
- d- Developing the legislative structure supporting the fight against corruption.
- e- Modernizing judicial procedures to achieve prompt justice.
- f- Supporting law enforcement agencies to prevent and combat corruption.
- G- Raising community awareness of the importance of preventing and combating corruption.
- H- Activate international and regional cooperation in preventing and combating corruption.
- i- The participation of civil society organizations and the private sector in preventing and preventing corruption.

**Sustainable Development Goals 2030:**

Figure No. (1) shows Egypt's Vision 2030, which is the Sustainable Development Goals, which is a global call to action to eradicate poverty, protect the planet and ensure that all people enjoy peace and prosperity. The sustainable development goals require the use of long-term strategic planning (2015-2030) and achieving Specific goals on poverty, education, health, strong institutions, etc., with specific time horizons, and indicators to measure the extent of progress achieved for each of the goals.

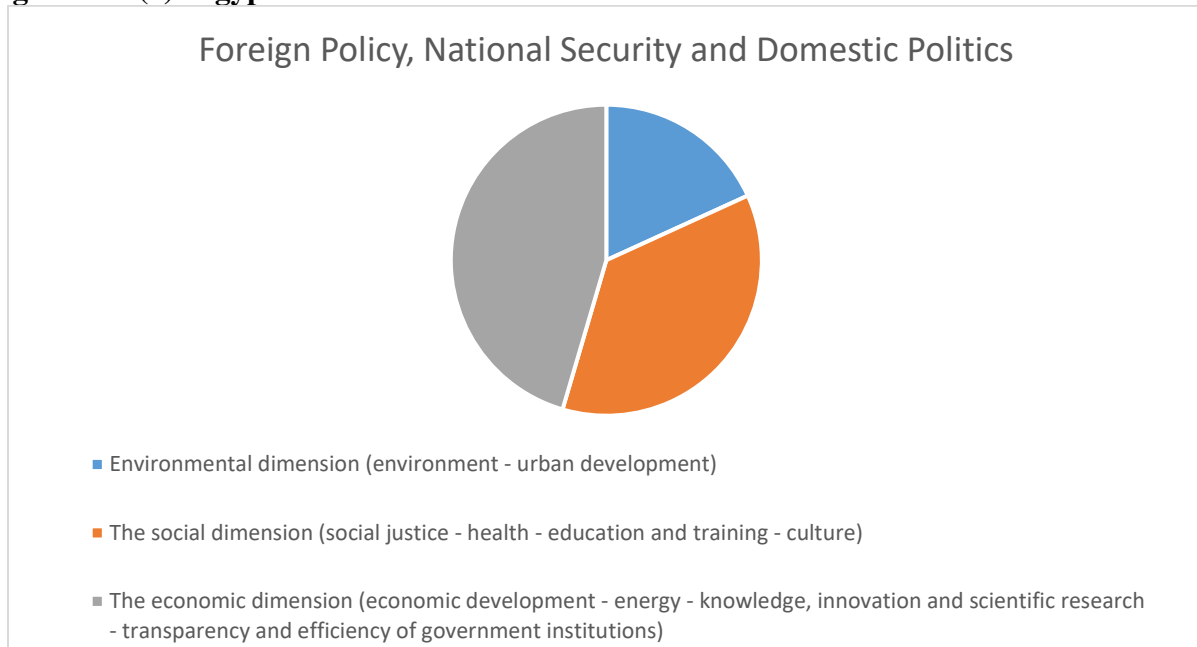
Governance is considered important in public organizations and institutions,

because it provides an organizational structure that enables it to achieve its objectives in the best way. Ensure its effectiveness by detecting deficiencies in performance and weak outputs. The importance of transparency lies in its being an open channel of communication between officials and stakeholders, as it enhances the self-monitoring of workers in institutions, and confirms their good performance of job duties, so that everything becomes clear to them in the scope of their work or within it according to work rules and regulations.

**The role of governance and transparency in reducing administrative corruption:**

Administrative corruption is one of the global phenomena, and this phenomenon has been associated with several factors, including the lack of transparency and responsible governance, which made administrative corruption evidence of the absence of governance and transparency in public affairs, and corruption is represented in the presence of administrative Unnecessary restrictions and illegal behavior of workers, and administrative corruption has With interest at all local and international levels, as well as a great interest in the programs and governments of countries whose societies suffer from the spread of this phenomenon, This requires the development of strategies that are continuously developed to reduce the effects of administrative corruption, and the search for mechanisms and tools that guarantee the fight against this dangerous phenomenon.

**Figure No. (1): Egypt's Vision 2030**



Source:

<https://www.presidency.eg/ar/%D9%85%D8%B5%D8%B1/%D8%B1%D8%A4%D9%8A%D8%A9-%D9%85%D8%B5%D8%B1-2030>

The causes of administrative corruption and its variation make the methods of control, prevention and treatment also different because they must be compatible with the types and causes of administrative corruption, as it negatively affects the individual and society, and its negative effects impede the efforts of administrative, economic, political and social development in public institutions hence the need to study this phenomenon.

Administrative corruption is a dangerous phenomenon that deserves states, public organizations and the international community to stand firmly against it, and since it is a complex phenomenon characterized by many forms that try to obstruct reform efforts, and to eliminate it, it is necessary for the concerned In the reform process, strategies for prevention and combating administrative corruption that are appropriate should be put in place. The public sector has led to many different crises of

administrative corruption, and therefore corruption is considered one of the most important challenges facing the government in order to improve development levels in all its dimensions, Especially after corruption took on a systematic nature in some countries, where its existence became a rule rather than an exception, so its reduction has become one of the most important issues that preoccupied the governments of the countries concerned with the reform process, and therefore governance and transparency come as one of the most important issues. Mechanisms and means that help combat Administrative corruption and its reduction.

**Phenomena of administrative corruption:**

Administrative corruption arises and spreads as a result of political, economic, social, administrative and cultural factors that society goes through. There are different examples, models and phenomena of

administrative corruption, and the most important of these examples are:

**Exploitation of public office:** through the abuse of power and its exploitation for private interest and harming public money at the expense of the public interest.

**Favoritism:** It means contributing through mediation and favoritism to achieve special goals at the expense of the public interest, such as using it to appoint employees who lack the conditions of the incumbent.

**Waste:** It means wasting public property as an expression of discontent or deliberate laziness and others.

Theft, bribery, extortion, forgery, fraud and the black market are also common examples of administrative corruption.

#### **Types of administrative corruption:**

There are different types of corruption, and these types can be explained as follows:

**Political corruption:** Political corruption manifested itself in corrupt totalitarian rule and a loss of participation.

**Financial corruption:** Corruption is represented by financial deviations and non-compliance with the financial rules and provisions that regulate the workflow. Among the most important forms of financial corruption are the violation of financial rules and provisions, negligence, negligence, and violation of control instructions.

**Administrative corruption:** It is related to administrative, functional, or organizational deviations that are issued by employees during the performance of their work duties. refusal to perform The work required of him and the employee's non-compliance with work procedures.

**Moral corruption:** It is represented by the moral and behavioral deviations committed by the employee related to his personal behavior and actions, represented by the exploitation of the position to achieve private gains at the expense of the public interest, without regard to the consideration of competence and merit.

#### **Administrative corruption has been divided into three other types:**

**White corruption:** It means that there is a great agreement by the society and the workers in the administrative apparatus to accept and approve the work or behavior in question.

**Black Corruption:** Refers to the agreement of society and those working in the administrative apparatus that the performance of a specific work or behavior is bad.

**Gray Corruption:** It is so named because it cannot be counted on either of the two previous types, due to the absence of agreement or not.

#### **Effects of administrative corruption:**

The effects of corruption are divided into political, economic, legal and social effects:

**Political effects:** The political effects of administrative corruption are represented in harming the credibility of the state and its agencies, which results in weak confidence in the political entity and increases conflicts between politicians, especially if their interests conflict, and weakens the state's relations with other countries.

**Economic effects:** Some of the economic effects of administrative corruption can be seen, represented by the low efficiency of public investment, weakening the level of quality, and the negative impact on the



volume and quality of investment and its flows. Wealth among the members of society, and the spread of unemployment.

**Legal effects:** One of the most serious consequences of the spread of administrative corruption is the harmful legal effects, the most prominent of which is the emergence of legislation that does not achieve sufficient deterrence and helps the corrupt to evade punishment, and is useless and ineffective.

The application of laws, as a result of the corruption of those in charge of their implementation under the pretext that the legal texts are inconclusive and open to interpretation and interpretation, and the slowness of accounting procedures, which leads to obstruction of procedures until the case is lost, and the defaulter does not receive his punishment.

**Social effects:** Administrative corruption has caused social damages that are no less dangerous than the rest of the damages, as it leads to a collapse in the social environment. basic .

#### **Elements of governance:**

Any system needs a set of pillars and components (1) that would ensure the achievement of the organization's goals efficiently and effectively, and among these components are the following:

1- The legal framework defining the rights, responsibilities and competencies of each of the basic parties involved in the organization, as well as penalties for violating rights and negligence in responsibilities, and exceeding those competencies, as well as penalties for perpetrators of the crime of corruption.

2- The legal framework that includes the oversight bodies entrusted with ensuring the implementation of governance and anti-corruption measures.

3- The presence of an independent audit committee with high qualifications and experience that helps highlight the transparency of the organization and its role in eliminating corruption.

#### **The role of governance in reducing corruption is as follows:**

1- Activating the control system and providing a package of measures to activate the control process and reduce opportunistic behavior in the presence of a strict control environment.

2- Raising awareness of the moral, economic, political and social damages and dangers of corruption.

3- Spreading transparency in all actions of public organizations and institutions in a way that contributes to creating a clear and transparent relationship between stakeholders in all transactions.

4- Provide the right of accountability for all parties.

5- Enabling workers to actively participate in all activities.

6- Avoid any conflicts or risks that impede quality within the organization.

7- Improving the organization's reputation and practices.

8- Not to confuse the duties and responsibilities of the members of the organization.

It can be concluded from the foregoing that one of the most important functions of governance is activating the oversight system, raising awareness of the damages and dangers of corruption, spreading transparency in all the organization's actions, and working to enhance accountability.

#### **Governance Indicators, Metrics and Criteria:**

The various indicators, metrics and standards of governance can be clarified as follows:

1- The rule of law: To achieve the principle of the rule of law, organizations must commit to the following:

A- That all work bases and procedures are consistent with the laws and regulations that regulate the work of the organization.

B- That all work principles and procedures are interrelated, clear and have a legal basis, and that they are applied uniformly to all employees.

C- Laying down foundations and mechanisms for grievances and complaints by employees in a manner consistent with civil service regulations.

D- Reviewing and continually evaluating the foundations and procedures and suggesting any improvements thereto.

2- Accountability: It means that people who hold positions are subject to legal and administrative accountability for the results of their work in the accounting and executive authorities, and in turn they will be accountable to the legislative authority that oversees the actions of the executive authority.

3- Transparency: To achieve the principle of transparency, organizations should commit to the following:

A- The work procedures should include transparency obligations in terms of documenting and providing information and documents related to the organization in accordance with the law guaranteeing the right of access to information.

B- Publishing information related to the organization's work on the website and publishing it on the organization's internal network, and updating it periodically so that it is available to all employees.

C- Answering requests and inquiries submitted by stakeholders regarding providing them with information within the legal time limit stipulated by the law.

D- Training employees to know the work rules and procedures, especially those related to freedom of information and transparency, provided that they include how to prepare and publish the disclosure of such information.

4- Accountability: It means the duty of those responsible for public positions, and it is done by submitting periodic reports on the results of their work and the extent of their success in implementing them, and the right of workers, auditors and stakeholders to obtain the necessary information and ensure that their work is consistent with With regulations and laws, as accountability is an important mechanism Fighting corruption, through which those responsible for their actions can be held accountable, and an opportunity is given to clarify any ambiguous issues, and this is what leads to the disclosure of negligence or failure to perform the service.

5- Control of corruption: It measures the extent to which public power is exercised to achieve private gains, including small or large forms of corruption, as well as the takeover of the state's capabilities by the elite and those with personal interests.

It is clear from the foregoing that the concept of governance is characterized by broad dimensions, but it includes indicators of opinion, accountability, transparency, accountability, rule of law, and control of corruption. These aspects are used to define the various aspects of governance. In order to help achieve the goals of public organizations through these standards, rules and laws organization to work, and to preserve the rights of workers and auditors, and this also helps in achieving transparency.

**Studying the relative importance of citizen complaints during the average period (2020-2022):**

By studying the relative importance of complaints submitted during the year 2020, the minimum amount was about 26, and the maximum amount reached about 69, with an average of about 52.25, during the average of the same period, and the average number of complaints submitted to the Technology Center in Buhaira Governorate during the period (2020-2022) amounted to about 152 complaints, as shown in Table No. (1).

By studying the relative importance of complaints submitted during the year 2021, the minimum amount was about 14, and the maximum amount was about 106, with an average of about 53.75, during the

average of the same period, and the average number of complaints submitted by the Public Prosecution Office in Buhaira Governorate during the period (2020-2022) amounted to about 102.67, as shown in Table No. (1).

By examining the relative importance of complaints submitted during the year 2022, the minimum amount was about 39, and the maximum amount was about 326, with an average of about 141.5, during the average of the same period, and the average number of complaints submitted to the governor in Buhaira Governorate during the period (2020-2022) amounted to about 38.67, as shown in Table No. (1).

**Table No. (1) The relative importance of complaints submitted by citizens in Buhaira Governorate during the period (2020-2022)**

Year	2020	%	2021	%	2022	%	Average
<b>Technology center</b>	51	24.40	79	36.74	326	57.60	152.00
<b>Administrative Prosecution</b>	69	33.01	106	49.30	133	23.50	102.67
<b>Governor</b>	63	30.14	14	6.51	39	6.89	38.67
<b>General secretary</b>	26	12.44	16	7.44	68	12.01	36.67
<b>Minimum</b>	<b>26</b>	-	<b>14</b>	-	<b>39</b>	-	-
<b>Maximum</b>	<b>69</b>	-	<b>106</b>	-	<b>326</b>	-	-
<b>Average</b>	<b>52.25</b>	-	<b>53.75</b>	-	<b>141.5</b>	-	-
<b>Total</b>	<b>209</b>	-	<b>215</b>	-	<b>566</b>		-

Source: General Administration of Governance and Internal Audit, Control and Follow-up Department, Buhaira Governorate, data for separate years.

By examining the relative importance of complaints submitted to the General Secretary of Buhaira Governorate during the average period (2020-2022), it was found that the average number of complaints was about 36.67, as shown in Table No. (1).

**Studying the development of citizen complaints during the year 2022 in Buhaira Governorate:**

By studying the development of citizen complaints to the Technology Center

during the year 2022, it was found that they ranged from a minimum of about 13 complaints in July, to a maximum of about 49 complaints in March, with a monthly average of about 27 complaints during the same year, and by estimating the general time trend, the significance of this estimate was not proven statistically because it is static data and did not adopt a general trend.

By studying the development of citizens' complaints to the governor during

the year 2022, it was found that they ranged from a minimum of about 0 complaints in the months of February and June, and a maximum of about 7 complaints in November, with a monthly average of about 3 complaints during the same year.

By studying the development of citizen complaints to the Secretary General during the year 2022, it was found that they ranged from a minimum of about 13 complaints in July, to a maximum of about 49 complaints in March, with a monthly average of about 27 complaints during the same year.

By studying the development of citizen complaints to the Administrative Prosecution during the year 2022, it was found that they ranged from a minimum of about 7 complaints in the month of July, to a maximum of about 16 complaints in the month of March, with a monthly average of about 11 complaints during the same year, and by estimating the general time trend, the significance of this estimate was not proven statistically because it is static data and did not adopt a general trend.

**Table No. (2): A study of the development of citizens' complaints during the year 2022 in Buhaira Governorate**

Month	Administrative Prosecution	General secretary	Governor	Technology Center
January	15	15	1	21
February	8	7	0	41
March	16	9	1	49
April	8	5	2	32
May	13	4	2	29
June	10	6	0	20
July	7	7	1	13
August	8	9	5	19
September	13	3	6	23
October	14	0	6	30
November	11	0	7	30
December	9	1	3	19
minimum	7	0	0	13
maximum	16	15	7	49
average	11.00	5.50	2.83	27.17
rate of change	-0.161	-4.109	0.524	-0.037
growth rate	0.362	16.882**	12.97**	1.530

Source: - General Administration of Governance and Internal Audit, Control and Follow-up Department, Buhaira Governorate, 2022 data.

- The results of the .SPSS analysis

### **The importance of Resolution No. 54 of 2020 and its impact on local administration units and the administrative apparatus in the country:**

The effect of the decision and the expected return from it cannot be measured at the present time except after the internal audit departments perform their supervisory and advisory role effectively, and integrate the culture of auditing and risks within the culture of government sector workers, which is one of the challenges that may face the process of effectively implementing the decision. The following is a summary of the most important Points addressed in the decision:

- 1- Establishing internal audit departments in all government agencies and units of the country.
- 2- Describe the tasks of the internal audit department, the scope of work, and set the conditions for filling positions.
- 3- Eliminate the organizational divisions whose roles may conflict or perform similar tasks to the Internal Audit Department.
- 4- Providing the Agency with the work plan and the time frame for its implementation within a maximum period of three months from the date of the decision.

### **Proposals that could have been included in the resolution:**

The optimal design of the internal audit departments contributes greatly to their success and the activation of their oversight role as a third line of defense for the government unit. However, the importance of optimal application of the internal audit departments requires that several important points be taken into account, which the decision did not address in detail, which may affect the mechanism and effectiveness of its implementation and make many rules Implementation is subject to personal judgment and estimation, the most important of which are the following:

### **Governance framework:**

The decision did not clearly mention the need to establish governance frameworks at the level of the government unit, the ministry, or at the level of the Council of Ministers to ensure that the roles, tasks and powers of each of the competent authorities and employees are clearly defined within the internal governance policies in order to ensure the separation of duties and powers, and the governance framework includes (citizens' rights stakeholders, the advisory board, the advisory committees emanating from it, the regulatory and ethical environment, transparency and disclosure, accounting and accountability of government units, etc.), governance shows the mechanism of work of government units, how to organize their affairs, the decision-making process, their policies and strategies, and how to provide their services.

The responsibility for implementing and ensuring the effectiveness of the governance process in accordance with best practices falls on the advisory board, and the board must be composed of an appropriate number of experienced and qualified members, and the majority of the board members must be independent members in order to ensure that they facilitate their supervisory and advisory duties effectively, and to ensure the application of governance principles within The government unit The council may form an advisory committee emanating from it for governance to undertake the following tasks: periodic evaluation of governance, preparation of periodic reports on the extent of compliance with the principles of governance, and formulation of governance policies.

### **Review Committee:**

The decision did not include the role of the Audit Committee as one of the most

important committees emanating from the Advisory Council, which is composed of independent members specialized in financial and accounting affairs. It plays an effective role in the process of supervising financial reports and expressing technical opinion on them, and monitoring and supervising the performance of the Internal Audit Department and verifying the availability of the necessary resources and their effectiveness in Performing the work and tasks assigned to it, studying its reports, following up the implementation of corrective measures for notes, appointing the chief audit executive, proposing his rewards and evaluating his performance, approving the internal audit department's charter, policies and procedures, and ensuring compliance with legislation, policies and plans binding on the government unit.

#### **Organizational independence:**

The decision did not clearly address the subordination of the administrative internal audit to ensure the organizational independence of the department, and was limited only to mentioning the phrase "subordinate to the competent authority", in addition to mentioning the submission of periodic reports to the Administrative Control Authority without formally defining it as the functional subordination, and the internal audit department in the government unit must be independent Independence here refers to the freedom from circumstances that threaten or reduce the ability of management and puts it away from any interference in determining the scope of the audit, And the completion of its work and the achievement of its objectives and the reporting of the results of audits and the right of direct access to the audit committee or senior management, and this can be achieved through the submission of reports to each of the Board of Directors or the audit committee and the adoption of a work charter for management.

#### **The role of the chief audit executive outside the scope of audit:**

The decision combined both internal audit and governance under one administrative unit, which may affect the independence of the internal audit department, which will carry out executive work, which is the design and operation of controls for governance processes. This situation can be addressed by applying the necessary precautions to limit the size of the negative impact of any roles or Responsibilities that fall outside the framework of internal audit work on independence and objectivity, These procedures may include a periodic evaluation of reporting relationships and responsibilities and the development of alternative procedures such as the establishment of an independent committee headed by the Executive Director to evaluate governance processes within the government unit, because in the event that the audit department evaluates governance processes, this will be considered a violation of the principles and standards of internal audit of independence and objectivity, and it can also be done through Internal organizational separation by separating internal audit and governance into two different departments for each of which are employees independent from each other, but under the jurisdiction of the Chief Audit Executive.

#### **Objectivity:**

Article 5 of the decision did not address the guarantees and requirements necessary to ensure the objectivity and impartiality of persons nominated for a position in the internal audit department, such as relationships, personal interests, kinship ties, and previous departments in which the candidate worked. Internal auditors must be neutral, impartial, and avoid conflicts of interest. Objectivity is one of the principles of

auditing It is also an essential characteristic that cannot be deduced from the characteristics of candidates for an internal audit position, and it is complementary to the principle of independence.

#### **Risk-Based Internal Audit Plan:**

Article 3 of the decision did not address the need to prepare an audit plan based on risks, but only mentioned the phrase of setting the annual plan for internal audit and governance in the unit without addressing the need to prepare an audit plan based on risks to distribute management resources and to determine the priorities of the audit department in line with the objectives of the government unit and to cover these aspects Characterized by being the most vulnerable to risks that may affect the ability of the government unit to achieve its objectives.

#### **Decision implementation mechanism:**

The decision did not include a mechanism and criteria for its implementation on the ground, but rather left the implementation mechanism to government agencies without clarification and prior determination, and therefore it may be subject to personal judgment and assessment, and the level of understanding of the decision and the method of its implementation may differ from one person to another, so regulatory instructions attached to the decision must be issued to clarify the implementation mechanism, which must It includes, as a minimum, the operational model of the internal audit department, including but not limited to: internal audit charter, policies and procedures, code of ethical conduct, quality assessments, performance indicators, standard forms for planning and executing audit assignments, various reporting forms, etc.

#### **Criteria for selecting human cadres:**

Detailed criteria for recruitment requirements for internal audit departments must be developed based on the international framework for internal audit competency, which includes ten basic competencies that every internal auditor must have (professional ethics, business intelligence, communication skill, persuasion and cooperation skill, development and innovation, etc.) in order for the department to turn perfectly.

#### **Powers of the Internal Audit Department:**

The right and authority of the Internal Audit Department to freely access and review the records, information and data necessary to carry out audit procedures, and the freedom of access to employees and relevant material assets to perform audit tasks and to obtain the necessary assistance and resources to carry out tasks and achieve goals, has not been emphasized. These powers must also be documented in the audit charter internal.

#### **The three lines of defense for government units:**

Failure to activate the three lines of defense model, which aims to prepare three separate groups:

- 1- The first line: department managers who are responsible for identifying, evaluating and managing risks that affect the achievement of objectives and the establishment of internal control systems.
- 2- The second line: Risk and control officials and the competent executive authority that takes effective decisions related to risk management and internal control systems.
- 3- The third line: the Internal Audit Department, which is concerned with evaluating and improving risk management procedures and the internal control system.

#### **Recommendations:**

The study recommends the formation of an advisory board headed by the Director

General, and the board must be composed of an odd number of members, and the majority of the board members must be independent members in order to ensure the facilitation of their effective supervision and advisory duties, and to ensure the application of the principles of governance within the unit, and the board is specialized in examining the appeals submitted Against the decisions and recommendations of the oversight and follow-up inspectors. It is also concerned with supervising the digital transformation and supervising work related to governance and internal auditing.

Granting the members of the Advisory Council and the members of the monitoring and follow-up the right to judicial control, and that their supervision and inspection be on all governmental and private agencies and without prior contact to activate the principle of transparency and be surprising, and the members' supervision is not within the geographical scope of their place of residence because the members do not fall into mediation, favoritism and nepotism. By submitting a monthly report on their oversight work, follow-up and

campaigns to the Advisory Council, with electronic registration of all work, granting members of the Advisory Council and members of oversight and follow-up the authority to carry out their work during the full day, and activate the principle of sudden control.

## References

- Ahlam Obadi, Ammar Qureish, *The Role of Internal Audit in Activating Institutional Governance and Its Effects on Financial and Administrative Corruption*, Umm El-Bouaghi University, 2015.
- Ibrahim Ishaq Nisman, *The Role of Internal Audit Departments in Activating the Principles of Governance*, Department of Accounting and Finance, Faculty of Commerce, Islamic University, Palestine, 2009.
- The Central Agency for Organization and Administration, Resolution No. (54) of 2020, Egypt 2020.
- The National Anti-Corruption Strategy, Egypt, (2019-2022).