

# The value of interior audit commissions in the application of combined governance

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## **Abstract**

*The action of interior audit is an essential pillar of combined governance, hence the need to focus on activating the foundation of combined governance to insure the improvement and processing of the parts of the interior audit action identified by the Institute of Interior Auditors, and that the presence of audit commissions in bond stock companies contributes to the strengthening of governance practices and mechanisms of implementation, as well as contributes to the strengthening of communication and coordination in the middle of interior and exterior parties, and from this point of view this study was based on identifying the concept of combined governance in bond stock companies and their intention. Identifying the diverse foundation for the management of companies and increasing their efficiency and credibility, and showing the role played by each of the audit commissions and interior audit sought to apply combined governance, and for the purpose of achieving these intention was conducted a survey study was conducted under which distributed (130) questionnaire sought (120) questionnaire, and the investigation er relied in the search of forms on the statistical program SPSS, and one of the most important findings of the investigation was that the existence of combined governance It is mandatory to create a "regulatory" arrangement that contributes to developing the gain of bond stock companies by determining the distribution of powers and responsibilities in the middle of the diverse parties involved in the work of the association, and it is essential for the existence of an efficient interior audit figure and an audit commission that contributes to the protection of shareholders' rights, the preservation of funds and the provision of reliable knowledge, and there is a morally significant correlation in the middle of interior audit and audit commissions in bond stock companies and combined governance, in turn, both of which contribute to the application of combined governance.*

**Keywords :** Combined Governance, Audit Commissions, Interior Audit

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## **1-Introduction**

Governance combined governance is one of the most important subjects that emerged in the world of finance and finance in the modern era, especially in the last decade of the 20th century, when shareholders became increasingly concerned about some practices related to diverse aspects of management, as a result of the resort of combined administrations to conduct many wrong practices that represent a kind of unethical professional behavior on the part of management as a shareholder agent, in order to gain its own activity at the expense of shareholders, by exploiting the flexibility available in generally accepted accounting foundation (Bhaumik, 2019). Grade et al, 2020 believes that combined governance is an important subject in all departments, institutions, regional and international organizations, public and private, especially after a chain of banking crises that occurred in many international companies and institutions, such as the banking meltdowns that occurred in a number of East Asian and Latin American countries in 1997, the Enron crisis, which was engaged in the marketing of electricity and natural gas in the United States of America in 2001, as well as the crisis of the World Com Telecommunications Association in the United States in 2001. 2002 . He points out (Chepkwei, 2020)one of the bounds for the collapse of these large companies is

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administrative and accounting corruption in general and banking corruption in particular, bearing in mind that accounting corruption is due in one important aspect to the role of auditors and their emphasis on the validity of banking statements and the knowledge they contain contrasting from reality and reality. (Altawalbeh, 2020), emphasizes that combined governance rules and regulations aim to enhance the concepts of combined gain meant control, in order to preserve the banking activity and rights of shareholders, in order to encourage and progress investment, maximize profitability, and create new jobs. (Aguilera, 2019) believes that the rules and controls of combined governance emphasize the value-of complying with the provisions of the law, working to insure the audit of banking gain, and the existence of management structures that enable management to be held accountable to shareholders with the forming of an audit commission of non-executive panel components that have many actions, competences and powers to gain oversight. (Agordotse, 2019) indicates that the interior audit action is a key element of the ref-ore, it is mandatory to focus on activating the foundation of combined governance to insure the improvement and processing of-the parts of the interior audit action identified by the Institute of Interior Auditors. (Balios & Zaroulea, 2020), believes that combined governance effectively affects the increased compliance of interior auditors with the Interior Audit Ethics Charter and plays an important role in the compliance and compliance of interior auditors in implementing activities. (Schäuble, 2019), confirms that the application of combined governance leads to the processing of-the professional gain of interior auditors, where it works to increase the attention of senior management to the preparation and training of the employees of the interior audit department in companies, in addition to its interest in the authority and self - support of the interior audit department, and give it the crisis ability to access the knowledge it needs In her work. Audit commissions are key pillars of combined governance and are the tool by which to insure the application of combined governance rules (Koutoupis & Bekiaris, 2019). (Sultana et al, 2020) believes that the audit commissions have identified many tasks and duties and hopes that they will provide quality services in their tasks, so that they have a role in developing interior control organization, supporting the self - support of the exterior auditor, and enhancing the credibility of banking statements, thereby restoring confidence and reassurance to the relevant parties in the association. Harris & Williams, 2020) points out that audit commissions are an agent for the Panel of Directors in supervision and oversight and play an "important" role in combined governance, as the tasks assigned to them are numerous, including those related to the work of the exterior auditor, including those related to the evaluation of interior control organization and support for the self - support of the interior auditor and others related to the preparation of banking reports.

## **2. Literary Smear**

Several studies addressed the value-of interior audit commissions in the application of combined governance, as a study was conducted (Tumwebaze et al, 2018) aimed at determining the contribution of the action of interior audit and combined governance in accountability to legal companies. To gain the intention of this study, the data was collected through the questionnaire, which included 66 companies, and the data was analyzed using the Statistical Program SPSS for Social Sciences and the study found a correlation in the middle of the action of interior audit and accountability, in addition to combined governance and accountability, and the action of interior audit is an important indicator of accountability. The study (Vadasi et al, 2019) aims to identify the value interior audit through its contribution to combined governance, as well as the impact of interior audit in combined governance, and the pattern of the study was represented by a number of companies recorded on the Athens Stock Exchange and 49 companies, and reached The study indicates that interior audit has an impact and contributes to developing combined governance. The study (Ganesan et al, 2017) aims to examine the correlation in the middle of the level of disclosure of

sustainability with the moderate impact of the action of interior audit and the characteristics of combined governance (panel size, panel self - support and dual CEO) the study focused on manufacturing companies recorded on the Malaysia Stock Exchange in 2015, the pattern of the study was 120 companies, and the study found a significant negative correlation in the middle of the level of disclosure of sustainability and dual CEO, and that the action of interior audit work on the interior audit work on the interior audit. The bilateral correlation in the middle of the CEO and the level of disclosure of sustainability. The( Pertsinidou )study, 2018, aims to analyze the correlations in the middle of interior audit and combined governance actions in Greek public companies, and to the degree to which Greek companies adopt editing of modern foundation of combined governance, the pattern investigation was represented by a number of Greek public companies recorded on the Athens Stock Exchange, and the study found a lack of maturity in the middle of combined governance and interior audit. While the( Dzumira study, 2020), aims to test combined governance, interior audit actions and the gain of the South African Public Sector Audit Commission, these actions are an "important" part of combined governance, the study found that interior audit units and public sector audit commissions in South Africa are not effective, and audit commissions should improve their oversight of interior audit actions so that both units perform effectively, and that the presence of audit components is effective Interior and successful audit commission in the public sector leads to the effective and efficient practicing of resources for the benefit of all stakeholders. The study (Bansal & Sharma, 2016) aims to identify the role of the characteristics of the audit commission represented self - support and repeat convention, as well as other components of combined governance represented by duplication, the size of the panel and the composition of the panel of directors in developing the gain of companies, the pattern of the study was 235 non-banking companies recorded on the Indian Stock Exchange, and the study found a correlation in the middle of the size of the panel and the dual role in the middle of the Chairman, and the gain of the association, and there is no impact on the self - support of the Audit Commission and repeating its convention on the banking gain of Indian companies. The study (Saputra & Yusuf 2019) aims to determine the role of interior audit in combined governance and to know the degree to which interior audit contributes to the implementation of exterior audit, and the study found that the role of interior audit in combined governance is to assess the integrity of banking statements, comply with applicable basics and rules, and provide advice on efficiency the operational effectiveness of the association, and the fact that quality interior auditing affects the efficiency and effectiveness of the implementation of exterior audits.( Balios & Zaroulea, 2020) aims to identify the impact of combined governance and interior audit parameters on the profitability of companies in countries internationally called P.I.G.S (Portugal, Italy, Greece and Spain, respectively). The study pattern was represented by a number of companies recorded in the Southern European Countries P.I.G.S., and the study found that the Director of Interior Audit is more suited to perform the actions of the audit commission efficiently and effectively, and that there is a "positive" impact on profitability by increasing the size of the Panel of Directors by components New. The Study (Drogalas et al, 2019) aims to identify the informal interactions in the middle of the interior audit action and the audit commission in the context of combined governance, and to gain the intention of the study, the investigation relied on the questionnaire form, and the study found the presence of factors influencing the informal interactions in the middle of the interior audit action and the audit commission.

### **3 . Theoretical structure for investigation :**

#### **3 . 1The concept of combined governance:**

The need for governance has emerged in many progressed and emerging economies during the wake of economic collapses and banking crises in the past few decades, a number of East Asian countries, Latin America and Russia in the 1990s, as well as the recent banking and accounting collapses in the U.S. economy during 2002 (Blok, 2020). The concept of public sector governance, known as government governance, also appeared in discussions led by the Dutch

Ministry of Finance in 2000, where a number of convention and workshops were held with the aim of activating the role of public sector governance in the Netherlands and trying to answer what this type of governance is and how to apply it (Aguilera et al, 2019). The concepts presented for this term have multiplied, so that each term indicates the point of view espoused by the presenter of this concept, Cadbury nation in 1992 was defined as (the method that balances the economic and social intention of on the one hand, and among the individual and common intention on the other hand, the Combined Governance Structure encourages the effective use of resources and also urges "the availability of accounting and accountability organization for the management of these resources, and that the aim is to bring as close as possible to the activity of individuals, companies and nation (Caraiman & Mates, 2020). IFC has defined governance as the organization by which companies are handled and controlled by( Amonboev. Aguilera te al, 2018), defined combined governance as a set of criteria by which the association's stakeholders hold managers at the highest levels accountable for their decisions and results, to control the association and gain competitive advantage. Risks, management, monitoring and ensuring the adequacy of controls to gain the association's intention and maintain its value through governance (Hunjra, 2020). As the Organization for Economic Cooperation (OECD) has known OECD Combined Governance progressing as a bundle of correlations in the middle of the association's directors, panel of directors, shareholders, and other shareholders (Crowther, 2018).( Bhaumik et al, 2019), considers combined governance to be a "management set used to manage the association from within, and for the panel of directors to supervise it to protect the banking activity and rights of shareholders."( Agnihotri & Gupta, 2019), is known as "a set of laws, regulations and decisions aimed at achieving quality and excellence in management gain by choosing the appropriate and effective mechanism to gain the plans and intention of any organized work, whether in private sector units or in public sector units."( Asensio et al, 2019), points out that the value-of governance has increased as a result of the trend many countries of the world to switch to capital economic organization in which private companies rely heavily to gain high and continuous equipment of economic growth, and the expansion of these projects led to the separation of ownership from management, and these projects began to look for sources of financing less expensive from banking sources and went to the capital markets.

### **3. 2 Foundation of Governance**

To apply the concept of combined governance, a set of foundation and rules necessary be found to help apply this concept, and from the institutions that are interested in issuing these foundation are the Organization for Economic Cooperation and Economic progressing (OECD) and the International Monetary Fund( IMF), which expressed the foundation of combined governance in 1999 and amended in 2004 (Parent & Hoye, 2018), and these foundation are the main reference for many combined governance practices, as the OECD has identified six basic foundation for combined governance. (Simon, 2019) (Campanale et al, 2020)

#### **1-Verifying the existence of an effective structure for combined governance:**

the combined governance structure includes legislative and regulatory elements of self-regulation, optional obligations and enforcement practices that are the product of the specific circumstances of the state, history and traditions, and in order to insure that there is a basis for an effective structure for combined governance, the following factors necessary be taken into account: (Ondari et al, 2019).

**a-** The combined governance structure should be progressed with a view to having an impact on overall economic gain, market integrity and the incentives it creates for market participants and encourages transparent and effective banking markets.

**b-**Legal and regulatory requirements affecting the practice of combined governance should be within legislative jurisdiction, compliant with the provisions of the law, transparent and enforceable.

C- The distribution of responsibilities in the middle of contrasting-actors should be within a clearly defined legislative scope while ensuring the service of the public interest.

d -The supervisory, regulatory and executive bodies should have the authority, integrity and resources to carry out their duties in a specialized and objective manner.

### **2-Guarantee of shareholders' rights:**

Shareholders' equity is focused on key aspects such as the transfer of equity ownership, the selection of the panel of directors, the acquisition of a return on profits, the review of banking statements, and the right of shareholders to participate actively in general assembly convention. (Sanchez , 2020 )

### **3- Ensuring equal treatment among all shareholders:**

The combined governance structure necessary insure equality and fair treatment among all shareholders, whether they are large shareholders or small shareholders (minority rights) as well as equality in the middle of local and foreign shareholders.

### **4- Ensuring respect for the role of stakeholders in combined governance::**

Combined governance necessary insure that the role of all stakeholders in combined governance is respected, and the stakeholders are banks, association employees, creditors, bondholders, suppliers and customers, and provide them with the mandatory knowledge periodically and in a timely manner, and their right to notify the Panel of any illegal or immoral conduct or irregularities without any prejudice to the rights of those parties towards( wati. , 2020 )

## **4 . Interior audit and combined governance**

### **4 . 1 Genesis and concept of interior audit**

The emergence of interior audit as an idea in the United States of America dates back to the 1930s, due to the desire of American companies to reduce the weight of the exterior auditor, as U.S. legislation required all companies and institutions dealing in banking markets to subject their accounts to an exterior auditor until they were approved (Demeke et al, 2020). In 1941, the Institute of Interior Auditors (AII) was established with the aim of qualifying interior auditors and upgrading them in 1947, this institute expressed the first list of interior audit responsibilities, which it amended in 1957, including a definition of "interior audit" (independent evaluation activity within the audited association, which is a control to measure the effectiveness and evaluation of other control elements) (Sinha & Arena, 2020). In 1971, interior audit sought by the Institute of Auditors of Interior Auditors as an independent evaluation activity through a specific organization aimed at auditing accounting, banking and other processes, mainly "to serve management, a management control tool that measures and evaluates the effectiveness of other control effectiveness of other control mechanism" (Nedyalkova, 2020). In 1986, interior audit was defined as an evaluation action established within the association to examine its activities and evaluate it as a service the association's interior audit objective is to help the association's employees effectively carry out their responsibilities, and to this end they provide them with analyses, assessments, recommendations, advice and knowledge on the activities they are auditing (Jona & Guxholli, 2018). In 1991, interior audit was progressed to provide new services to the association, namely consulting services, and in 1994 the Institute of Interior Auditors advised that interior audit supplant (malicious) taking into account the comparison in the middle of the cost and benefit of providing these services (Johannes)( Dóttir et al, 2018), but in 1999 the Institute defined interior audit as "an independent, advisory and objective activity within the association, designed to monitor and improve the gain of the association's intention by verifying that the association follows the policies, plans and procedures established. And propose improvements that need to be made in order to reach the maximum productivity efficiency (Aureli et al, 2020). According to Drugless et al, 2019, the Institute of

Interior Auditors of the United States expressed a comprehensive definition of the new and evolving concept of interior audit, which in line with progressing in the business environment, he identified it as "an independent and objective activity related to a confirmed and consultant designed to increase and improve the association's operations, and to help it gain its intention systematically and systematically with the aim of assessing and developing the effectiveness of risk management, oversight, and governance processes." In an search of the processing of-the concept of interior audit in support of combined governance, (Birhane, 2019), argues that the new concept of interior audit presents a new picture of the audit ing profession in several key directions:

**A- Confirmation:** Audit contributes to the reassurance of senior management, subsidiary departments, panel of directors and shareholders when mandatory that the risks associated with the association are understood and dealt with appropriately.

**B - Independent:** Interior audit is an independent figure from the executive management of the association as a result of its affiliation to the Panel of Directors.

**C- Advisory:** Interior audit contributes to the provision of services to both senior management and subsidiary departments, the Panel of Directors, and shareholders when requesting the search, consultation supplants and suggestions mandatory to make decisions, as well as that interior audit contributed to the progressing and addition of value to the association, and this is related to the association's governance, risk management and control procedures.

**D- Objectivity:** Obliging the interior auditor to perform confirmation services that focus on objective evaluation of evidence in order to reach an independent technical opinion.

#### **4. 2 The role of combined governance in developing interior audit action**

There is an important role for combined governance in developing interior audit action, as it helps improve and progress the four parts of interior audit quality identified by the Institute of Interior Auditors (Mertzanis et al, 2019). Combined governance effectively affects the increased compliance of interior auditors with the Interior Audit Ethics Charter and plays an important role in the interior auditors' commitment to interior audit procedures and their commitment to them when carrying out activities (Agordotse, 2019). He believes that combined governance leads to the processing of-the professional gain of interior auditors, where it works to increase the attention of senior management to the preparation and training of the employees of the Interior Audit Office in the companies, as well as "his interest in their powers And their self - support (Arniati et al, 2019).( Manita et al, 2020) points out that combined governance significantly affects the improvement of interior audit practices and mechanism applied by interior auditors, which leads them to maintain the processing of-their practices and working mechanism, due to the interest of combined governance in interior audit departments and their self - support, in addition to paying attention to their validity and giving them the mandatory ability to access the knowledge they need in their work.( Jokipii & Di, 2019) confirms that interior audit activities take place in contrasting-cultural, legal and economic environments and are implemented within companies whose intention, sizes and organizational structures vary and through contrasting people, and all these differences and differences may affect the practice of interior audit activities in contrasting environments, so it is mandatory to subject the interior audit process to an ongoing evaluation and progressing process and to control the interior audit ing process by progressing the interior audit basics. Interior in light of combined governance requirements.( Raiborn et al, 2017), believes that interior audit activity contributes to combined governance processes by contributing to the evaluation and improvement of the governance process through the following:

**A- Verifying the status of values and intention and achieving them,** so that the departments are prepared and able to disclose their activities, actions and decisions and the degree to which they conform to the specified and agreed intention.

**B- Monitoring the gain of goals through:** (Al Matari & Mgamal, 2020) (Scherer & Voegtlin, 2020)

Assessing the quality of gain carried out at the level of responsibilities assigned to the employees.

- Providing appropriate recommendations to improve and progress the association's processes.
- Raising productivity efficiency by training at the right suggestion.
- Verification of accountability, as actions and decisions are subject to scrutiny through interior audit.
- Join s from preserving the association's values by identifying areas or processes and programs that necessary be checked and evaluated during the audit.

**5 . Audit and Combined Governance Commissions:**

**5 . 1 The genesis and concept of audit commissions:**

That the emergence of the idea of audit commissions was in America, and was first announced in 1967 by the American Institute of Chartered Accountants (Shan et al, 2020), and considers (Kang, 2019) that the United States of America is one of the first countries to initiate the establishment of audit commissions, where the Securities And Exchange Commission expressed in 1972 the decision to form audit commissions in bond stock companies to protect shareholders and investors, and in 1976 the U.S. Congress Commission recommended that companies should be established in 1972. (Zhang & Rich, 2016), in 1978, the New York Stock Exchange (NYSE) expressed a number of recommendations, the most important of which was to require recorded companies to form audit commissions, and basic 61 was expressed that defined the correlation in the middle of the Audit Commission and the Chartered Accountant (Bajra & Cadez, 2018). (Migliani & Ahmed, 2019) confirms that France started thinking about the establishment of these commissions" beginning in 1985 by the Commission of Operations of the Stock Exchange after submitting its report No. (17) to the Presidency of the French Republic and proposing the establishment of audit commissions. In 1986, following the organization of a forum on audit commissions in America by the Institute of Interior Auditors and with the contribution of the Sec and the National Association of French Auditors, it was decided to establish a working bundle charged with studying the possibility of establishing audit commissions similar to the American commissions in France (Park, 2019). In the United Kingdom, the Cadbury Commission on the London Stock Exchange expressed a 1992 audit commission for bond stock companies. The audit commission is the link in the middle of the auditors (interior and exterior) and the Panel of Directors, and this commission scrutinizes each of the following activities (nomination of the exterior auditor, scope and results of audit, interior control of the association, in addition to all banking knowledge prepared for publication) (Huang, 2019).( Cassell et al. 2018) defined the audit commission as a commission of (Bratten, 2020) defined the audit commission as "a commission of three to five directors not in charge of the executive responsibilities of the banking management, the most important of which is the audit of banking statements, as well as to insure the effectiveness of the interior control and accounting arrangement-of the association, the results of interior and exterior audit, the scope of the audit, as well as the interior control of the interior control of the association." (Bajra & Cadez, 2018), considers that the audit commission is a bundle consisting of the association's un-exhausted panel components, who mediate in the middle of the exterior auditor, management and interior auditor in organizing their respective works and the correlation in the middle of them, as well as studying and proposing everything that would give the honest picture about the degree to which the knowledge represents the actual reality of the actual reality of the association).

**5 . 2 Mechanisms of action of audit commissions from the point of view of combined governance:**

**The great application of combined governance depends on the availability of a range of interior and exterior mechanisms: (Thomas & Purcell, 2019)**

**A. Interior mechanisms:** Interior mechanisms include rules and mechanism applied within companies, which include the processing of sound management structures that explain how decisions are made within companies, and the appropriate distribution of duties and positions among the parties concerned with the application of combined governance such as the Panel of Directors, executive management and commissions of the association's panel of directors such as the audit commission and the nominations and rewards commission, in a way that does not lead to a conflict of interest among these components, but leads to the long-term activity of investors.

**B. Exterior mechanisms:** Exterior mechanisms for combined governance are: (Qasim, 2018)

**1- Regulations and regulations that regulate the operation of markets such as the combined arrangement and the regulation of combined governance.**

**B-** The efficiency of regulatory bodies and agencies by tightening their control over companies and verifying the accuracy and integrity of the data and knowledge they publish, and establishing appropriate sanctions and effective application of them in the event of non-compliance of companies.

## **6 . Hypotheses**

As a result of the collapse of a number of companies and the declaration of bankruptcy due to the actions of their panels of directors, it was mandatory to have a supervisory figure within the bond stock association working to protect the association and protect shareholders from incurring heavy material losses, as well as in order to obtain more accurate and credible banking data, and therefore the problem of investigation can be raised:

**1-** Do bond stock companies operating in Iraq in general and basra province in particular have the mandatory foundation for applying combined governance?

**2-** To what degree can an interior auditor contribute to the application of combined governance?

**3-** To what degree can the audit commissions formed by the Association's Panel of Directors contribute to the application of combined governance?

To answer these questions and to accurately address the investigation variables, the following hypotheses have been formulated.

**H1:** There is no correlation of moral significance in the middle of the audit commissions of the bond stock companies and the application of the foundation of combined governance.

**H2:** There is no correlation of moral significance in the middle of interior audit in bond stock companies and the application of combined governance foundation.

Methodology:

### **7-1 pattern:**

The investigation community consists of a number of employees of bond stock companies operating in Iraq and registered on the Iraqi Stock Exchange, and the number of questionnaires distributed on the pattern of investigation (130) questionnaire, and returned from them (120) as a questionnaire and thus the response rate (92.31) approximately" and this percentage is acceptable to circulate its results to the investigation community.

### **7-2 mechanism of data collection:**

The investigation er adopted the questionnaire form as a method of investigation , which is one of the main means of collecting the mandatory data to gain the investigation intention and test its hypotheses using the statistical program SPSS, the list of questionnaire satin was numbered by the investigation er based on the theoretical aspect that was put forward in the investigation , and the questionnaire included (18) questions, and the strength of the answer was determined by using the pentagram to show the opinions of each component of the pattern, and each case was allocated weight consistent with its importance, Allocated to the answer strongly ok (5) points, ok (4) points, neutral



(3) points, and Do not agree (2), and I do not strongly agree (1) points, and then test and analyze the results according to the appropriate statistical mechanism to prove the two investigation assumptions.

**8- Statistical mechanism used:**

A number of statistical mechanism will be used and used for the purpose of describing and analyzing data on study variables and testing its hypotheses, through the use of computers in extracting results, and relying on the ready-made application software package (20 (SPSS V.), as well as using the computational medium and basic deviation to describe the variables.

**9- Descriptive results and test hypotheses:**

**9-1 Descriptive results:**

This bundle includes a description of the results of the answers of each respondent to the investigation using the arithmetic medium and basic deviation, the investigation included (18) factors that can have an impact on the value-of interior audit commissions in the application of combined governance, these factors have been selected through the theoretical aspect of the investigation . The respondents were asked to determine the value-of each worker using the Likert scale of 1-5 as (5) refers to (I strongly agree) and (1) to (I do not strongly agree).

Table (1) of the first hypothesis, where the results indicate that the most important factors affecting the audit commissions of the bond stock companies and the application of the foundation of combined governance is "the audit commission checks the self - support of interior auditors, and makes any suggestions that would confirm their self - support in the application of combined governance, and the existence of the audit commission in the bond association increases the degree of confidence and confidence among investors and shareholders, the audit commission of the bond association submits a report" to the Panel of Directors of the association about its evaluation of the effectiveness and efficiency of the interior audit department of the audit ." As for the least influential factor, the bounds for the audit gain gap is "the audit commission of the bond stock association presents the results of its discussion with both the management and the exterior auditor to the Panel of Directors and inform them about any important and substantial processing affecting the integrity of the association's banking statements.

Table (1) Descriptive statistical search of the value-of factors in the middle of the audit commissions of the bond stock companies and the application of foundation of Combined Governance:

Influencing factors.	Search		
	Arithmetic medium	Basic deviation	Order
. 1 The audit commission consists of non-executive panel components	4.15	0.96	6
-2The presence of the audit commission in the bond stock association increases the degree of confidence and reassurance among investors and shareholders.	4.44	0.53	2
– 3The Audit Commission has a clear and written perception in the follow-up and monitoring of the self - support and objectivity of the exterior auditor.	4.30	0.55	4
-4The audit commission of the association audits the strategy of the association's management to see its directions towards maximizing the value of shareholders in the bond stock association and then maximizing the value of the association.	3.39	1.29	9

-5The audit commission takes appropriate corrective measures on the results of the audit process in the association.	3.48	1.30	8
6 -The audit commission nominates the exterior auditor and oversees the interior audit work of the bond stock companies to gain accountability.	4.35	0.57	5
7 -The audit commission of the bond stock association will present the results of its discussion with both the management and the exterior auditor to the Panel of Directors, and inform them about any important and substantial progressments affecting the integrity of the association's banking statements.	3.92	1.24	7
-8The audit commission of the bond stock association will submit a report to the panel of directors of the association about its evaluation of the effectiveness and efficiency of the interior audit department of the association.	4.44	0.53	3
-9The Audit Commission verifies the self - support of interior auditors and makes any proposals that will confirm their self - support in the application of combined governance.	504.	0.51	1
Total	4.11	0.83	

**As for table 2**, it presents the special results related to the second hypothesis, where the results indicate that the most important factors affecting interior audit in the bond stock companies and the application of combined governance foundation is "interior audit implements interior control organization and identify the problems in them and follow-up correcting them, be the appointment, renewal and dismissal of the interior audit official, and determine his banking treatment by decision of the panel of directors of the association provided the approval of the audit commission of the Panel of Directors (non-executive components), interior audit examines all procedures in The association to insure that it conforms to policies, plans, regulations, laws and regulations, and the degree of its contribution to the activation of the foundation of governance." As for the least influential factor is "the interior audit action is independent enough to perform its work properly without any pressure from any senior authority in the association, the interior auditor submits the Audit Commission on the degree to which the association complies with the rules and regulations of the law on its activity, the interior audit officer directly contacts the Chairman of the Panel of Directors of the association, and attends all the convention of the audit commission."

Table (2) Descriptive statistical search of the value-of factors affecting interior audit in bond stock companies and applying combined governance foundation

Influencing factors.	Search		
	Arithmetic medium	Basic deviation	Order
1. The interior audit officer directly contacts the Chairman of the Panel of Directors of the association, and attends all the convention of the audit commission.	3.34	1.21	9
2. Provide bondable assurance by interior audit that the association's risks	4.35	0.57	5

are handled effectively and efficiently, and the adequacy of disclosure in the association's banking reports.			
-3Interior audit has knowledge and knowledge of the laws and regulations expressed by the responsible authorities in Iraq.	4.38	0.60	4
-4Interior audit examines all procedures in the association to insure that they conform to policies, plans, regulations, laws and regulations, and the degree to which they contribute to the activation of the foundation of governance.	4.42	0.59	3
-5The interior auditor submits a quarterly report to the Association's Panel of Directors and the Audit Commission on the degree to which the association complies with the rules and provisions of the law on its activity.	3.48	1.30	8
6 -The appointment, renewal and dismissal of the interior audit officer, and the determination of his banking treatment by decision of the Association's Panel of Directors provided the approval of the audit commission of the Panel of Directors (non-executive components)	4.47	0.53	2
.7The interior audit action is sufficiently independent to perform its work properly without any pressure from any senior authority in the association.	3.92	1.24	7
-8Interior audit implements interior control organization, identifies problems in them and follows up on their correction.	4.51	0.50	1
- 9Interior audit staff have sufficient knowledge and knowledge about local and international accounting and audit basics.	4.18	1.13	6
Total	4.12	0.85	

### 9-2 Test hypotheses:

The investigation hypotheses have been tested through the actual responses data of the study bundle survey, which is represented by a number of employees of bond stock companies operating in Iraq and registered on the Iraqi Stock Exchange, using the test (t) (and at a moral level (0.05), and the hypotheses will be verified according to the sequence contained in the first chapter of the investigation as follows:

#### A- Testing the first hypothesis which states:

There is no morally significant correlation in the middle of the audit commissions of the bond stock companies and the application of the foundation of combined governance, and to prove the validity of this hypothesis or its error in the structure of the results of the statistical search, a test (t) was conducted on the arithmetic average, the results of which are illustrated by table data (3)

**Table (3) test results for the first hypothesis**

Arithmetic medium	Pattern size	T		Test result
		Calculated	Table schedule	The first hypothesis
4.11	120	14.59	1.66	Deny the hypothesis.

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Statistical search found that the calculated (t) is valued at (14.59) and is greater than its scheduled value of (1.66), so it deny the hypothesis of non-regulation and accepts the alternative hypothesis that "there is a morally significant correlation in the middle of the audit commissions of the bond stock companies and the application of the foundation of combined governance."

**B- Testing the second hypothesis which states:**

There is no morally significant correlation in the middle of interior audit in bond stock companies and the application of combined governance foundation, and to prove the validity of this hypothesis or its error in the structure of the results of the statistical search, a test (t) has been conducted on the arithmetic average, the results of which are illustrated by table data (4).

**Table (4) test results ( t ) (for the second hypothesis)**

Arithmetic medium	Pattern size	T		Test results
			Table schedule	The first hypothesis
4.12	120	14.37	1.66	Deny the hypothesis

Statistical search found that the calculated (t) is valued at (14.37) and is greater than its scheduled value of (1.66), so it deny the hypothesis of non-regulation and accepts the alternative hypothesis that "there is a significant moral correlation in the middle of interior audit in the bond stock companies and the application of combined governance foundation."

**10 .Conclusions and recommendations**

**10.1 Conclusions**

**A-** A the existence of combined governance is "mandatory" to create a "tight" regulatory arrangement-that can contribute to developing the gain of the bond stock companies by determining the distribution of powers and responsibilities in the middle of the diverse parties involved in the work of the association.

**B-** One of the main pillars of combined governance is the existence of an efficient interior audit figure and a audit commission that contributes to protecting shareholders' rights, preserving funds and providing reliable knowledge, which requires the need for constructive cooperation in the middle of them on the one hand, and in the middle of them and the exterior auditor on the other.

**C -** There is a significant correlation in the middle of interior audit and combined governance.

**D-** There is a correlation of moral significance in the middle of the Audit commission and combined governance.

**10-2 Recommendations :**

1- Holding training courses continuously for all administrative levels to inform them of the association and its regulations and laws governing it, the powers of contrasting units and departments and their responsibilities, and increase their awareness of the foundation of combined governance.

2- A regulation should be expressed specifying the foundation of combined governance and obliging bond stock companies to apply them and abide by them by all bond stock companies registered with the association register.

3- Bond stock companies should adopt a combined governance structure that insures accurate and timely disclosure and includes all banking and non-banking matters.

4- The Panel of Directors of the bond stock association should form an audit commission within the association, which oversees and controls the activity of the association as a whole.

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