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The role of the audit committee to support the quality of financial reporting some lessons from Sox Act

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Abstract. The present study aims to demonstrate the effectiveness of the internal control system in large economic units as a result of the volume of business they practice. In light of the size of activity practiced by the General Company for the Distribution of Central Electricity through the distribution of electrical energy to six Iraqi provinces, there must be an important role for internal control in monitoring this activity. Hence, the present study focuses on evaluating the effectiveness of internal control in the company and its branches in light of the ethical code for senior officials contained in the Sarbanes- Oxley Act in addition to some other requirements that were dealt with by the law. The analysis of the data is based on some requirements in the law. In addition to a questionnaire prepared for this purpose to measure the application of the code of ethical conduct for senior officials and to demonstrate the effectiveness of an efficient internal control system. 85 questionnaire forms were distributed to workers in the control, internal auditing, and accounting departments of the company and its branches. 74 forms were suitable for analysis. The present study concludes that there are indications that the internal control system is not independent in the provinces electricity distribution companies and the subsidiary companies. It is mentioned in the organizational structure of the company that the control and auditing department is subordinate to the director of the company and his/her assistants, and that it is not directly related to the official of the control and auditing department at the company's headquarters, which may cause conflict in Interests and lack of coordination in control procedures.

Keywords. Ethical code for senior officials, Internal control system, Sarbanes – Oxley Act

Introduction

The importance of the internal control system in companies has increased due to the increase in the size of the business they practice, the economic importance of the activity of these companies, the size of activity carried out by the General Company for the Distribution of Central Electricity and its six subsidiary companies represented by the electricity distribution companies of Babylon, Najaf, Karbala, Diwaniyah, Wassit, and Muthanna, which, in terms of importance, represents an Economic growth for the six provinces, which represents approximately 33% of the total number of provinces in Iraq through the provision of electric power, which represents the most important source of energy to achieve economic growth and social welfare in these provinces, the amount of money allocated in the current and investment

budget of this company and the amount of spending from it, as well as transferring This company from a general directorate to a public company operating under the Iraqi amended Public Companies Act No. (22) for 1997 based on (Article 6- Third) of the Ministry of Electricity Act No. (53) for 2017, which contributed to increasing the importance of this company in terms of revenues and returns to the state treasury through percentages deducted from its annual profits. For the purpose of preparing a high internal control system in light of this shift and the company's coverage of the requirements of Chapter Five of the above companies' Act, the present study tends to prove the possibility of raising the level of efficiency and increasing the effectiveness of the internal control system over money management in these companies by using the ethical code for senior officials contained in the Sarbanes - Oxley Act and some other requirements to clarify The extent of its contribution to improving the internal control system in order to obtain the optimum utilization of these resources and to ensure that they are not exposed to waste and misuse.

Literature Review

What are the conduct and business ethics? Why?

The importance of studying work ethics and how to establish it in the hearts and consciences of senior and junior employees is an important matter without which an administrative apparatus will be ineffective and tainted by corruption in everything. (Al-Omar, 1999) believes that if administrative corruption has a financial cost on developed countries, its cost on developing countries will be greater because of limited resources. (Abdel Hady, 2001) indicates that ethics aim to define both the rules that govern people's behavior and the good things they do that have value. All ethical decisions are based on individual values. Values are principles of behavior such as honesty, accountability, commitment to promises, striving for Excellence, loyalty, integrity, and respect for others. The majority of people agree on these values and admire them as foundations of behavior. The Bahrain Bourse Code of Business Conduct and Conduct (2021) defines behavior as an activity that an individual expresses through his/her relationships with those around. The rules of behavior are a set of principles and standards aiming at ensuring integrity, transparency and accountability for employees and customers, which are usually binding. (Al-Amiri, and Al-Ghalibi, 2019) believe that ethical behavior and the necessity to assume social responsibility by business organizations do not relate to specific societies. Rather, they have become An important issue facing business organizations in developed and developing countries. If the unethical behavior is embodied by large business organizations in the world such as Enron, this does not mean that it does not exist in other business organizations around the world. (Drib, 2016) indicates that ethics in the public sector have a great impact on the efficiency, proper functioning, and effectiveness of government agencies in performing their mission and goals optimally, which enhances the benefit to the public and the nation. The Association for Corporate Compliance and Ethics (SCCE, 2021) affirms that professionals must strive, through their actions, to support the transparency and dignity of the profession, improve the effectiveness of compliance and ethics programs, and promote professionalism in compliance and ethics.

Code of ethics for senior financial officers & Sarbanes - Oxley Act:

The Sarbanes - Oxley Act was issued in 2002 as a result of corporate financial scandals in the United States. It was amended on December 18, 2020. The Act has established special provisions to adhere to professional ethics. Section 404 of the Act deals with the Ethics Code for Senior Financial Officials applied to the chief financial officer, the financial controller, the

principal accounting official, or those who perform similar tasks. The committee must review its regulations on matters that require immediate disclosure in Form 8-K to demand immediate disclosure by publishing this form via the Internet or by other electronic means. The code has dealt with the following:

1. Honest and ethical behavior, including the ethical treatment of actual or apparent conflicts of interest between individuals and professional relationships.
2. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be submitted by the company.
3. Compliance with applicable government rules and regulations.

Wahhab, 2021) indicates that adopting the company's culture effectively and focusing on whether managers and supervisors (board members) carry out their duties in a way that serves the company's culture and objectives will contribute to effectively evaluating the growth of internal control. In general, the SOX Act aims at transparency in providing financial information, verifying the validity and efficiency of the internal control system in the company, in addition to studying the accounting policies adopted by the company and investigating cases of financial fraud that may occur in the company (Coates, 2007: 96).

The effectiveness of the internal control system

The internal control system is one of the most important components of the administrative and financial organization in companies as it provides protection for resources from misuse, waste, and loss. It helps to provide accurate and reliable financial data to some extent. Besides, it raises the operational efficiency of the company. It also ensures that employees adhere to laws, regulations, instructions, management policies, and duties. Senior administration is the design and implementation of an effective internal control system. International and regional organizations emphasize the need to prepare and provide an integrated and highly efficient internal control system as it ensures that higher management achieves goals and contributes to reducing errors and fraud. It has imposed the rapid and large development of economic, commercial, and technological activity. From the growth in the size of projects to the development of the concept of the internal control system, he sees that internal control is a process affected by the structure of the organization, work, and authority flows, and people and management information systems designed to help the organization achieve its goals (Shahabuddin, et al 2011). The degree of success of the internal control system in achieving the programs and activities of the specified goals related to the extent to which the desired results have been achieved and according to the planned objectives in the organization (Ghneimat and Siam, 2011), and Izz al-Din, 2015). The increasing interest by organizations and institutions in recent times in the effectiveness of internal control systems helps to achieve quality in the products or services provided. (Wahhab, 2021) believes that internal control is based on partnership with all company employees to achieve the goals of the control process. Therefore, it is not a police task, as some believe, but it depends on the ability of those in charge of it to instill confidence in the employees who are subject to control.

Key components of internal controls

Internal control is the basic pillar for any company to achieve its goals. It is responsible for its design, implementation, and effectiveness. Whenever the internal control system is effective, it achieves three main objectives (Cerini, 2016): Preparing accurate and reliable financial reports, compliance with laws and regulations, and the effectiveness and efficiency of the company's operations. In a study (Hammersley, et al, 2007), it was explained that deficiencies in internal control lead to the possibility of wrong financial data that may result

due to the existence of these deficiencies that lead to a higher probability of misrepresentation of the financial data more and more. (Hayes, et al, 2015) believe that internal control consists of five interrelated elements: The control environment, the company's risk assessment mechanisms, the information and communication system, the control activities, and the monitoring of control tools. These elements, if properly applied, will lead to an effective internal control system. An effective internal control system, regardless of its quality, can provide administrations with reasonable and not absolute assurance regarding the achievement of the company's objectives and its continuation in the market. However, there are always risks of weak design of internal control systems. It may fail to work as required (INTOSAI, 2004).

Methodology of the Study

The significance of the present study:

The significance of the present study is due to the importance of implementing the important provisions addressed by the Sarbanes - Oxley Act, which are reflected in raising the efficiency of the internal control system in the company and thus increasing productivity and serving stakeholders through the production of high-quality financial data.

Problem of the Study

In order to prevent cases of waste and misuse of funds when implementing the current and investment budgets of the General Company for Distribution of Central Electricity and its subsidiaries, the company's internal control system must be improved and activated, as well as improved response to the results of reports issued by the internal control system by the senior administration and the company's board of directors. The present study is based on the following question:

Can the ethical code contained in the Sarbanes - Oxley Act be used to raise the efficiency of the internal control system for the General Company for Distribution of Central Electricity and its subsidiaries to improve the level of response to its results by the senior administration and the company's board of directors?

Objectives of the Study

1. Shedding light on the ethical code of senior officials contained in the Sarbanes - Oxley Act and some of the paragraphs contained in the Act.
2. Reviewing the control procedures in the General Company for the Distribution of Central Electricity and its subsidiaries in the company's internal control system and the most important measures taken by it to implement the current and investment budgets.
3. Determining the relationship between the ethical code for senior officials contained in the Sarbanes - Oxley Act and the possibility of improving the internal control system and internal control procedures on the current and investment budget of the General Company for Distribution of Central Electricity.

Hypotheses of the Study

Based on the problem and objectives of the present study, the following hypothesis can be formulated:

The General Company for the Distribution of Central Electricity's implementation of the ethical code for senior officials and some paragraphs contained in the Sarbanes - Oxley Act helps in raising the efficiency of the company's internal control system.

Results and discussion

Study and analysis of field data for the internal control system in the company through some of the paragraphs contained in the Sarbanes - Oxley Act, with a focus on the ethical code of conduct for senior officials.

The light is shed through this topic on studying the organizational structure of the public company and its subsidiary companies in order to determine the amount of independence that the internal control system obtains, as well as the number of employees working in the internal control departments, auditing the company's headquarters and its subsidiary companies, and studying the scientific and professional qualifications for them through a presentation. Their academic achievement, the number of training courses they went through, years of service, and the procedures followed by the company in the recycling process for workers in the internal control system devices, as one of the most important components of the Sarbanes - Oxley Act for an effective internal control system.

First: The organizational structure

During this course, the employees of the internal control system in the company and its subsidiaries will be studied and analyzed through four levels as follows:

The first level: The number of workers

The number of employees working in the internal control system of the public company and its affiliated companies reached (70) employees, distributed in unequal numbers between the headquarters of the public company and its subsidiary companies, and they carry out their tasks. Table (1) shows the number of workers, the number of divisions that make up the departments in the organizational structure that are actually occupied by the administration of the company, and the rate of staff numbers for each division.

Table (1) Employees in the internal control of the company and its branches.

Directorate	Numbers of employees at internal control department	Number of divisions according to the organizational structure	Number of really occupied divisions	Rate of division employees
The general company's site	12	8	8	1-2
Wassit	10	8	9	1
Karbala	12	8	8	1-2
Babylon	11	8	8	1-2
Najaf	14	8	8	1-2
Diwanyyah	8	8	5	1-2
Al-Muthanna	4	8	3	1
Total	70	56	49	

Studying the data contained in the above table clarifies the following:

1. The number of employees in the internal control and auditing departments in the public company and its subsidiaries is (70) employees distributed unequally at the headquarters of the public company and its subsidiary companies, which is small in relation to the size of activity it exercises, which covers six provinces, which constitute (33%) of the total number of

provinces in the country, in addition to the administrative activity of the company's headquarters.

2. Only one employee performs the tasks of the auditing division, which in most companies, consists of only one employee.

3. There is a difference in the number of divisions that make up the divisions used in electricity distribution companies in the provinces of (Wassit, Diwaniyah, and Al-Muthanna) from what is found in the unified organizational structure of the provinces' electricity distribution companies, where the divisions consisted of (3,5,9) people respectively.

4. The apparent discrepancy in the number of employees between the internal control departments in the provinces, which ranged between (4-14) employees indicates that human resources are not managed effectively.

The second level: Academic achievement

For the purpose of studying the academic qualifications of those in charge of monitoring and auditing in the public company and its subsidiaries, Table (2) indicates the number of employees and the academic achievement of the sample members.

Table (2) Number of employees and academic achievement in internal control.

Company	Number of employees	PhD	MA	High Diploma	BA	Junior Diploma	
General company's site	12				9	2	1
Wassit	10			1	4	2	3
Al-Muthanna	4				2		2
Karbala	12				5	4	3
Babylon	10				6	2	2
Najaf	14				11	2	1
Diwanyyah	8				1	2	5
Total	70			1	38	14	17
Percentage	2	54	20	24			

Studying the above table indicates the following:

1. There is a lack of employees with higher degrees; PhD and MA, at the internal control system at the headquarters of the General Company and the provincial electricity distribution companies, which leads to a weakness in the development of internal control systems.

2. There is only one employee holding a high diploma who works in the Wassit province Electricity Distribution Company. It constitutes 2% of the total employees in the internal control and auditing departments of the General company.

3. The number of employees with a bachelor's degree reached (38) employees, and they constitute (54%) of the total employees in the control and auditing departments of the General company.

4. The number of employees who hold a technical diploma is (14) employees, and they constitute (20%) of the total number of employees in the internal control and auditing departments of the General company.

5. The number of employees who hold a secondary school certificate constitutes (24%) of the total number of employees in the control and auditing departments of the General company, with (17) employees, which leads to poor performance in the control and auditing work.

The third level: The number of specialized courses for the sample members

This level determines the number of training courses that employees have gone through in the internal control in their field of specialization during the years of service. Table (3) sheds light on the total training courses achieved by each employee.

Table (3) specialized courses for the sample members.

Company	Number of employees	Employees without training courses	Employees with 1-5 training courses	Employees with 5-10 training courses	Employees with more than 10 training courses
General company's site	12	2	7	1	
Wassit	10		7	3	2
Al-Muthanna	4		2		2
Karbala	12	6	5	1	
Babylon	10	1		1	8
Najaf	14	9	5		
Diwanyyah	8	2	6		
Total	70	20	32	6	12
Percentage	29	46	8	17	

Analyzing the data contained in the above table reveals the following:

1. Weakness of the training policy used for the company as the number of employees who did not complete any training course reached (20) employees, and they constitute (29%) of the total number of employees in the control and auditing departments of the General company.
2. (32) employees of the company have achieved a number of training courses ranging between (1-5) courses. They constitute (46%) of the total number of employees.
3. The number of employees who achieved training courses at a rate of (5-10) courses is (6) employees. They constitute (8%) of the total employees.
4. The number of employees who completed 10 courses or more constituted (17%) of the total employees.
5. There is a difference in the number of courses for employees between companies, which indicates a lack of good coordination in the training process for employees.

The fourth level: The company's policy in the process of recycling and exchange of experiences for employees

For the purpose of determining the company's policy in the rotation and movement of employees in the control and auditing departments, Table (4) shows the number of employees

in the headquarters of the general company and its subsidiaries and the number of years that each employee served in the control and auditing departments of the company.

Company	Number of employees	Years of service at the department				
		5-1years	10-5 years	15-10 years	20-15 years	20years and more
General company's site	12	1	2	5	3	1
Wassit	10	2	6	2	--	--
Al-Muthanna	4	1	--	2	--	1
Karbala	12	7	4	1	--	--
Babylon	10	3	6	1	--	--
Najaf	14	4	9	1	--	--
Diwanyyah	8	3	5	--	--	--
Total	70	21	32	12	3	2
Percentage		%30	%46	%17	%4	%3

Analyzing the data contained in the above table indicates that there is no policy by the company in the process of rotation and movement of the employees in the internal control departments through the following points:

1. The number of employees whose actual service in the company's internal control departments reached (1-5) years is 21 employees. They constitute (30%) of the total number of employees, whose number is (70) employees.
2. The number of employees who had actual service in the control and auditing departments reached (5-10) years is (32) employees. They constitute (46%) of the total employees in the control and auditing departments of the company, which is (70) employees.
3. The number of employees whose service in the departments of control and auditing reached (10-15) years is (12) employees. They constitute (17%) of the total number of employees.
4. The percentage of employees who work in the internal control departments of the company for a period of (15-20) years is (4%) of the total number of employees, which is (70) employees, which indicates the added experience of employees in the departments of control and auditing.
5. There are only two employees working in the company's control departments, 20 years or more, and they make up 3% of the total employees, which indicates the size of the risks that the company is exposed to as a result of the weakness of those with experience in it.

Presentation and analysis of the survey results

In order to reach a clear answer to the questions raised for the present study, the chapters on theoretical frameworks have been strengthened by means of a questionnaire directed to a group of specialists in the field of oversight in public companies, accountants, administrators and heads of departments in the company, where the researchers seek to present the results of the present study based on some methods and statistical tools of the research variables and their paragraphs represented by the frequencies, percentages, the arithmetic means of the variables, and their paragraphs for the purpose of determining the level of their response and the standard deviation to measure the degrees of dispersion of the values from their arithmetic mean, as well as the relative importance of each section.

The present study relied on a tool to collect data represented by a questionnaire, which was prepared depending on the research variables, through which the researchers aim to find the

relationship between the internal control system in General companies and some requirements of Sarbanes – Oxley Act.

The questionnaire consisted of several questions that enabled the researchers to envision the possibility of developing an internal control system in the General Company for the Distribution of Central Electricity when some of the requirements of the Sarbanes - Oxley Act are used.

For the purpose of preparing the questionnaire form, the following steps were followed:

1. Selecting the individuals of the research sample that can achieve the objectives of the present study. They were the heads and employees of the internal control departments and the employees of the administrative and financial departments of the General Company for the Distribution of Central Electricity.
2. The number of the sample members reached (85). The questionnaire was distributed to them.
3. (79) forms were received and reviewed.
4. (5) forms, which constitute (6%) of the total received forms, were not valid for analysis. Thus, they were neglected.
5. (74) forms were reviewed and accepted, which constitutes (96%) of the total received forms.

First: Personal data

This section represents personal questions to get to know the nature of the individuals in the sample, their specialization and the academic level, as well as the number of years of experience through field work for them as follows:

Table (5) Table of frequency distribution by gender

Gender	Frequency	Percentage
Males	43	58
Females	31	42
Total	74	100

From Table (2) above, it is noticed that the percentage of males in the study sample is (58%) and the percentage of females is (42%) of the total members of the sample, of (74) individuals, which indicates the homogeneity of the sample members.

Table (6) the academic qualifications of the sample members

Qualification	Frequency	Percentage
PhD	8	10.8
MA	18	24.2
High Diploma	9	12.55
BA	32	43
Diploma	7	9.45
Total	74	100

Table (6) above shows the academic qualification through which the percentages of the levels of academic qualifications of the sample members are clarified with the total number of individuals. The percentage of individuals who hold a doctorate degree is (10.8%). The percentage of individuals who hold an MA degree is (10.8%). The percentage of individuals holding a higher diploma is (12.55%). The individuals who held a BA degree formed the highest percentage in the sample, which amounted to (43%). The percentage of individuals with a diploma degree reached (9.45%) of the total number of the sample.

Table (7) Specialization

Specialization	Frequency	Percentage
Control	25	33.8
Accounting	29	39.2
Administration	20	27
Total	74	100

Table (7) shows the specialization of the sample members, through which it becomes clear that the percentage of individuals who practice control work out of the total sample is (33.8%). The percentage of individuals who practice accounting work is (39.2%). The percentage of individuals who work in administrative positions is (27%), which indicates that 73% of the individuals responding are specialists.

Table (8) years of experience in the company for the sample members

Years of experience	Frequency	Percentage
Less than 5 years	10	14
5-10 years	14	19
10-15 years	20	27
15 years and more	30	40
Total	74	100

Table (8) shows the years of experience of the individuals of the study sample, which shows the percentages of the number of years of experience of the individuals of the sample for the total. The percentage of individuals who have years of experience of less than five years is (14%). The percentage of individuals who have years of experience of 5-10 years is (19%). The percentage of those who have 10-15 years is (27%),. The percentage of those with practical experience of 15 years or more is (40%).

Second: The possibility of implementing the code of ethical conduct and some requirements of Sarbanes - Oxley Act.

The questionnaire includes two sections. The first section is the extent of the contribution of the ethical code to senior officials. The second section is the contribution of some paragraphs in the Sarbanes - Oxley Act to enhance the effectiveness of the internal control system in the company and its subsidiaries as follows:

Table (9) Contribution of the Ethical Code of Senior Officials and some requirements of Sarbanes - Oxley Act in evaluating the company's internal control system.

The ethical code helps to										
No	Paragraphs	Total ly agree	Agre e	Neutral	Disag ree	Totally disagre e	Tota l	Arithmetic mean	Relative importance	Standard deviation
1	Raising group work spirit of the company's employee	17	28	18	7	4	74	3,6	%73	1,11
2	Feeling of responsibility towards	14	26	11	15	8	74	3,3	%66	1,29

	the company and maintaining its assets									
3	Activating participation and voluntary spirit in performing tasks	22	21	8	11	12	74	3,4	%69	1,46
1	Appropriate academic achievement	21	19	12	13	9	74	3,4	%68	1,38
2	Appropriate skills and training	26	24	9	7	8	74	3,7	%74	1,33
3	Ability to carry assigned tasks	18	28	11	11	6	74	3,6	%71	1,24
4	Personal independence and transparency	20	22	16	12	4	74	3,6	%71	1,21
5	Good CV and career	29	28	9	8	0	74	4,1	%81	0,98
6	Abundance of awareness and following up	24	27	8	11	4	74	3,8	%75	1,21

Analyzing the data presented in the above table reveals the arithmetic mean of the answers achieved by the questionnaire by the sample members, the percentage of the intensity of the answers to the questions, the standard deviation of the data, and the relative importance of the questions and their answers.

Third: Testing the research hypothesis

For the purpose of testing the research hypothesis, a one sample T-test is used. The idea of this test is to discover the extent of a significant difference in the mean of the community from

which the sample is extracted from a constant value, in addition to the possibility of estimating the confidence interval for the population mean. It is known that the variables to be tested Result from the statistical analysis of the questionnaire data designed according to Likert's five-point scale. Therefore, the default average of the scores of this scale of 3 degrees is used as a Test Value to conduct a T-test as shown in Table (10).

Table (10) results of testing the first sub-hypothesis.

One-Sample Statistics					
N	Mean		Std. Deviation	Std. Error Mean	
9	3.6111	.24210	.08070		
Test Value = 3					
T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
7.573	8	0.000	0.61111	0.4250	0.7972

The above table shows that the calculated T value is 7.573, which is much greater than its tabular value of 1.86. The mean standard deviation of the estimation of error mean Std is 0.08070, which is a very low value. The smaller this type of error, the better. The table also shows that the level of significance of the test Sig. (2-tailed) is 0.0, which is less than the acceptable level of error in social sciences, which is predetermined by 0.05. So, the research hypothesis is accepted.

Conclusions

1. When the company follows a number of points laid down by the Sarbanes - Oxley Act, it will help activating the internal control system in the company when implementing the current and investment budgets.

2. According to what was stated in Sarbanes - Oxley Law, there are indications that the internal control system is not independent in the provinces' electricity distribution companies and subsidiary companies as it is stated in the organizational structure of the company that the control and auditing department is subordinate to the director of the company and his/her assistants and not directly related to the official of the control and auditing department in The company's headquarters, which may cause conflict of interest and lack of coordination in control procedures.

3. The internal control system does not include all the company's activities. It is noticed that the internal control division in the distribution sectors is not activated within the fourth level of the organizational structure and when applying some points mentioned in the Sarbanes - Oxley law, inclusiveness can be achieved in the auditing process.

4. Sarbanes – Oxley Act requires the use of the sufficient and necessary number to manage the internal control system in relation to the size of the company's activity and the geographical area of its activity. When applying these points to the number of employees in the company's internal control system, it is found that it achieves a good level of control.

5. The Sarbanes-Oxley Act stipulates that those in charge of the monitoring and auditing process have the academic qualifications, academic achievement, and the appropriate specialization that enable them to conduct business in a good and efficient manner.

6. The Act focuses on the need to develop the skills of employees through training courses and access to laws, regulations and instructions, as well as subjecting employees to

scientific tests on a regular basis for the purpose of determining their readiness to do business. When the company achieves these processes, we find that it achieves a good level in the control process.

7. Sarbanes – Oxley Act requires that the transfer and rotation of employees be carried out in order to expand expertise and prevent the occurrence of instances of synthesis among employees. When observing the company's policy in the recycling process for employees, it is found that the use of the directives provided by the law helps effectively in the process of preventing risks that may occur from Due to employees continuing to perform the same tasks for a long time.

Recommendations

1. Reconsidering the administrative link of the internal control and auditing departments in the provinces electricity distribution companies and making them linked to the internal control and auditing department at the headquarters of the general company in order to achieve complete independence.

2. Including the internal control system for all the activities of the company and for the various levels by activating the control and auditing divisions in the distribution sectors.

3. Increasing the number of employees in the company's internal control system in line with the requirements of the organizational structure of the company for the purpose of occupying all control divisions in a way that achieves rotation and no momentum in transactions when one employee performs the tasks.

4. Setting scientific and professional limits and standards to measure the employees' educational achievements and the validity of their scientific qualifications in performing supervisory work in terms of certification and specialization.

5. Adopting good, effective and advanced training programs while subjecting all employees to training courses, whether inside or outside the country, and preparing field tests to measure the effectiveness of these courses.

6. Adopting a clear policy in the process of employee rotation between the people and the supervisory departments to prevent the occurrence of cases of job harmony between the control employees and other employees in the company.

7. Using the provisions laid down by the Sarbanes - Oxley Act can put the internal control system in the General Company for Electricity Distribution in the level of efficiency and effectiveness.

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