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# THE IMPACT OF USING INTERNAL CONTROL UNDER THE ELECTRONIC OPERATING SYSTEM

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## ABSTRACT

Internal control tools constitute one of the modern frameworks approved by the Committee of Sponsoring Organizations (COSO). "And the one which takes into account setting the objectives first, then estimating the possibility of those objectives being exposed to threats, then internal control procedures are designed that reduce the risks, and at the same time provide reasonable guarantees for achieving the organization's objectives and introducing all modern developments into the system. The contemporary trend of internal control focuses on the integration between managing the risks to which the organization is exposed and the internal control frameworks (Enterprise Risk Management- Integrated Framework) and its abbreviation (ERM), which provides the organization Management in conditions of uncertainty related to risks and their probabilities to be able to create and preserve value. The continuous developments in internal control systems, on the one hand, and competition between economic units, on the other hand, have led to many challenges through the use of modern technology and the innovation of new methods of development, which required the development of all sub-systems of control, including internal control systems, and then review the internal control structure and the extent of its acceptance of this computer-based technology and the effectiveness of its devices in providing information that supports the system's ability to adopt it.

Based on this, the research topic was divided into five sections. The first section dealt with the research methodology, the second section dealt with the theoretical framework of the internal control system, and the third section dealt with the problems and limits of using electronic computers. The fourth section was devoted to studying the impact of using computers. The electronic section focuses on the components of the internal control system, while the fifth section is dedicated to stating the most important conclusions and recommendations.

**KEYWORDS:** Electronic Operating System, control tools, Sponsoring Organizations,.



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## INTRODUCTION

Oversight is considered the central pillar through which the administration seeks to control the organizational activity in the institution and verify the progress of work at a correct pace, by the plans drawn up and drawn up in advance and within the framework of specific standards and regulations so that in the end it achieves its desired goals. Oversight is one of the essential administrative functions related to... Closely and significantly linked to planning in modern business organizations, the concepts of control, its philosophy, and its administrative perspective have developed considerably during recent years, and instead of being seen as a synonym for control, authority, and power, it has become more participatory, more inclusive, and plays a more positive role in administrative practices. Therefore, these specialized professional bodies have become increasingly keen on the importance of internal control keeping pace with scientific and professional requirements and developments, as the relevant authorities seek to activate the role of information technology by providing information with breadth and accuracy, which has created what is called the electronic data operating environment and its central role in its impact on the accounting system. The internal control system, in light of the developments the world is witnessing and its reliance on modern methods that provide effectiveness in the internal control process by applying accounting standards that provide a sound and practical basis for preparing useful financial reports, which institutions adhere to to follow an accounting approach that guarantees their success. And continuity in light of significant

economic challenges. The internal control function under the electronic operating system plays an important role and supervisory support in every country in the world, which seeks to provide various oversight devices as an essential element for public oversight and Accountability, given that the oversight process provides credibility in the information obtained. The increase in the number of employees has led to a review of internal control systems because this facilitates the completion of administrative work and contributes to highly efficient performance. Most quickly and easily, he also assists in senior management in economic units. Ensure that the established policies have achieved the specified objectives, and provide them with information and data about what is happening on the ground—objectives, Accountability, and development.

### The First Topic

#### Research Methodology

##### First: The Research Problem

Institutions establish an internal control system to achieve their goals, protect their assets, and ensure the proper functioning of their work. This, in turn, reflects a commitment to the policies and instructions of senior management. Therefore, institutions have sought to follow an internal control system because of its great importance in keeping pace with information technology requirements and in developing The professional process in light of the establishment of an internal control system under the electronic operating system that works to protect institutions from all the risks they face. The internal control system is one of the most important departments that requires

keeping up with developments because it provides management with the information it needs to make decisions right on time. This requires the technical development of internal control at a higher level than in the accounting environment since internal control is an information base for internal parties in institutions, especially management. Therefore, the study will answer the main question.

- Is the internal control system impacting the operating system?

### **Secondly, the importance of research:**

In light of the electronic operating system, the importance of the internal control system increases significantly, as electronic information technologies play a vital role in the operations of modern institutions. Therefore, the internal control process needs to be adapted to this context, as the internal control system in light of electronic operation can achieve many benefits in that graphical matter and increase Efficiency, effectiveness, and prevention of financial fraud.

### **Third: Aim to research**

Based on what A description of the research problem is presented, and it seeks to achieve the following goals :

1. The necessity of having an internal control system in light of the use of computers in all economic units.
2. Emphasizing that the objectives of accounting will not change, whether manual or electronic, but rather the use of computers affects the degree of Efficiency of achieving these goals with extreme accuracy and speed.
3. Emphasizing that the use of electronic computers in accounting has become necessary in many countries, Companies of all types, sizes, and activities. It is also required to demonstrate the speed and efficiency of using an electronic computer compared to a manual computer.

### **Fourth: Research hypothesis**

- 1- Can the internal control system help detect fraud and tampering with electronic data?
- 2- Can an internal control system with electronic processes improve work efficiency and reduce errors?

### **Fifth: Research methodology**

To achieve the research hypothesis and objectives, we relied on the descriptive and analytical method

### **Sixth: Limits of research**

- 1- Objective boundaries / internal control system and operating system
- 2- Human limits/number of employees and specialists in financial affairs, in addition to graduate students and teachers

### **Eighth: Hypothetical research plan**

#### **The second topic**

#### **Theoretical framework**

#### **First: The concept of internal control**

The development in the size of projects and the emergence of modern scientific management and its advanced methods clearly impacted the definition of internal control, and it can be defined in light of the stages it went through. When individual companies were the dominant form of projects, internal control was limited to procedures to guard against errors and manipulation of restrictions. Accounting (Al-Jumaili, 2000: 37) After the expansion of many companies, there was a development in the definition of internal control. It is one of the means and procedures that help reduce the possibilities of errors and fraud and protect cash and other assets. At this stage, accountants gave the term internal control. Internal control appears evident in the definition provided by the American Institute of Accountants in 1936, which defined internal control as (a set of methods and standards adopted by the company. Firstly, the concept of internal control. The development in the size of projects and the emergence of modern scientific management and its advanced methods clearly impacted the definition's development. Internal control can be defined in light of the stages it went through. When individual companies were the dominant form of projects, internal control was limited to measures to guard against errors and tampering with restrictions intended to protect cash and other assets and ensure accounting accuracy for the operations recorded in the books. (Othman 1999: 35) As interest increased in moving towards the optimal use of resources available

in the project, and as a result, the definition of internal control evolved to include ways and methods to improve efficiency and productivity, in addition to protecting the company's assets, ensuring the mathematical accuracy of operations, and ensuring the proper functioning of companies, internal control includes: (Internal control system, internal audit, budget control, and other means such as standard costs and periodic reports) (Othman, 1999: 37), while others have defined it as including an organizational plan and all the consistent methods and procedures taken within the project to protect its assets, control the accuracy and validity of its accounting data, and raise production efficiency. It encouraged compliance with policies imposed by the administration (Lutfi, 2006:4).

### **Second: The importance of internal control**

The importance of the internal control system for management is that it is a performance that enables it to ensure the proper implementation of established financial policies and thus achieve the objectives related to the credibility and fairness of the financial statements and the accuracy of the financial reports submitted to it to protect the company's assets from manipulation and misuse, as it requires management to evaluate this system to find out the points Weaknesses and work to correct and treat them. Financial control has become a fertile field for research and studies by many interested scholars due to its importance in revealing defects and weaknesses in administrative processes and the people responsible for implementing these processes, which helps correct paths and deviations during the implementation of established plans. (Basiouni, 2009: 404).

### **Third: Objectives of internal control**

There are many objectives of internal control, including the following: (Al-Jawhar, 1999: 96)

1- Protecting the company's assets, that is, is the process of achieving prevention from intentional errors in processing operations to conceal fraud or embezzlement. It may also mean preventive protection from unintentional

errors due to the incorrect application of accounting principles, or it is the means used to preserve assets from accidental matters. Desirable.

2- The accuracy of accounting data and the degree of reliance on it: carrying out its activity with a set of operations for the internal control system. These operations are represented by the transfer or use of some assets within the company or the existence of an exchange of assets or services to an external party. This is done through a series of steps that include declaring the operations or Approval, and what is meant by declaration or Approval is that it is a set of policies and administrative decisions related to conducting the exchange, transfer, or use.

3—Improving production efficiency: Providing sources of information, that is, working to avoid wasteful use of the facility's available resources and the multiplicity of methods used to reach these goals. The most important of these are planning budgets, standard costs, and a study of time and movement.

4—Commitment to the procedures of established administrative policies: The project objectives are translated into a set of integrated policies that cover the various aspects of the project activity. The degree of adherence to these policies will be reflected in the extent to which the company's objectives are achieved.

, including misrepresentations that could occur in financial statement assertions (Lutfi 2006, 384). In addition to being the main source of information regarding the processes, methods, records, and reports that the establishment uses to prepare its financial statements, there are a number of objectives that fall within three totals (Lutfi 382: 200 60-381 ).

A- The possibility of relying on preparing financial reports.

B - The effectiveness and efficiency of the facility's facility's work.

C - Compliance with laws and regulations. Use confidential data for the purposes intended for it by authorized persons only

6 - Based on this data, from a practical

perspective, the degree of control that can be obtained or the errors resulting from it should justify the expected costs of the oversight body desired to be established ( [www.financialmanager.com](http://www.financialmanager.com) ).

7- Other specialized goals, such as: (Rohel, 2001:67-68)

A- Objectives of sales control: preparing correct invoices for products sold or services provided, examining the granting of credit to the customer before approving his order, and approving returns from customers.

B Objectives of control over production or services: a minimum of operational waste, production of appropriate quantities, and a minimum of product wastage.

C- Objectives of financing control: Depositing cash receipts on the same day they are collected. Petty cash expenses are approved only by the authorized person. D Objectives of control over administrative aspects: Office equipment is only purchased after the Approval of the person with authority, prior Approval of vacations, and new employees are not appointed except after the Approval of the person with authority.

#### **Fourth: Internal control steps**

To judge the effectiveness of the internal control system, observers must carry out several carefully planned procedures, as follows (Abbas, 2009: 182):

1 Study and understand the system. This step includes obtaining sufficient and comprehensive information about the elements of the control system. The information that must be studied and understood are the control environment, risk assessment, control procedures, accounting system, follow-up and control system, etc., and ensuring that this information is subject to examination, follow-up, and review.

2- Initial evaluation: The information obtained in the first step is not analyzed in order to reach expectations about the effectiveness of the control system, its weakness, and its inability to detect deviations and prevent errors, and thus modify its subsequent tests in light of this information for each of the activities—head of the organization.

3—Identifying the circumstances that require writing a report to management: This step identifies circumstances that may affect the process of preparing the financial statements and that require writing a report to management when they occur.

4 Testing the application of procedures. This step includes ensuring that control procedures are implemented as planned through means such as documentary examination, personal observation of the supervisor, and comparing the company's performance with the standards of the activity or the performance of similar institutions.

5 Final evaluation: This is the step through which one can judge the effectiveness of the control system by ensuring the presence of elements of the control system, to judge the effectiveness of the system. In the event of the absence or weakness of one of these elements, the system's weakness is considered. Suppose circumstances require writing a report or if they were discovered during the ordinary course of work. Corrective measures were taken, and the system's effectiveness can be judged. Conversely, if errors were found and corrective measures were not taken, this calls into question the effectiveness and credibility of the system.

#### **Fifth: Types of internal control**

Internal control can be divided into two types:

**1- Administrative oversight:** The executive is responsible before the board of directors for those projects or the heads of central institutions and ministers for the level of implementation of those plans. Delaying the implementation of the programs and plans initially decided by the administration will reflect negatively on its level and efficiency and vice versa, and the institution's director has a significant role. In imposing his administrative control over the conduct of administrative and financial work as its supreme head, as well as ordering disbursement by law and according to the powers granted to him by the Board of Directors, the head of the highest unit, or the minister. Examples of administrative control include statistical statements, performance



reports, and budgets. Therefore, administrative control can be defined as drawing policies and implementation follow-ups that make optimal use of the available human and material resources and capabilities and raise production efficiency. Administrative control is also called (performance control). An example of this is performance reports in which standards are compared with the results of actual activity, and the amount of deviations is determined, in light of which the necessary correction for those deviations is made. (Al-Obaidi, 1976: 42) For example, office equipment is not purchased except after the Approval of the person with the authority, prior Approval of vacations, and new employees are not appointed except after the Approval of the person with the authority (Rohill, 2001: 68). It can also be defined as the organizational plan. All the associated procedures and measures are related to undermining the authority to approve operations, which is considered one of the management's responsibilities toward achieving the organization's goals (CEMEX 1989: 298). The most essential methods of administrative control are the organizational plan and all the methods and procedures related to operational efficiency and adherence to administrative policies, which are concerned in an unimportant manner. Direct only to accounting records. These methods include statistical analysis, time and motion studies, and performance reports (Rohill, 2001: 60).

**2 Accounting control.** It is an organizational plan for the institution, and the procedures used for the correspondence are related to protecting the company's assets and ensuring the accuracy of the accounting data and the extent of reliance on it (CEMEX, 1989: 299). Each economic unit, whether production or service, has a primary task to implement its various activities through its technical and administrative apparatus. Since the administrative functions in any department are multiple, the functions of the accounting department are as clear as the accounting

functions, and their objectives are apparent in the management of that unit. Any accounting department undertakes the task of recording and calculating economic and financial activities. It should be fully aware of the importance and functions of the accounting system designed or prepared. By that unit by the provisions of specific laws such as the unified accounting system. Examples of accounting control include the use of total accounts and conformity statements, and the functions of that system are limited to the following: (Al-Obaidi, 1976:44) Recording and compiling information and numbers to make economic and administrative decisions. B. Imposing oversight and control and preventing fraud and manipulation. C: Preparing financial tables and reports (or financial statements) for financial analysis. Accounting control methods generally include systems to undermine authorities and grant powers and separate functional responsibilities related to keeping accounting records and reports from those related to operations or maintaining assets. (Rohel, 10:2001).

#### **Sixth: The impact of the electronic operating system on the internal control system**

Information technology affects the internal control system. Therefore, the researcher presents the impact of the information technology environment on the concept of internal control, its objectives, and components through the integrated framework for the internal control system developed by the Committee ( COSo ) Sponsorship Organizations emanating from the Treadway Committee emanating from the American Institute of Certified Public Accountants ( AICPA ). As follows:

1- The impact of information technology on the internal control system. The Committee ( Co50 ) defined internal control as operations carried out by the unit's board of directors or management and all employees and designed to provide reliable assurance of achieving the objectives of relying on financial statements, commitment to implementing laws and

applications, and adequacy and effectiveness. Processes.

2—The impact of information technology on the objectives of internal control (Juma, 2009:82) indicates that the objectives of internal control are to preserve the company's assets, confirm the integrity of its data, achieve the company's objectives efficiently and effectively, and use resources efficiently. Therefore, the objectives of control in light of technology The information consists of ensuring the integrity of processes, inputs, and outputs, the integrity of updating inputs, and the integrity of permanent files, in addition to approving all...

Operations is one of the company's specialists, and the Board of Directors is responsible for achieving control objectives under information technology. The director of the Department of Electronic Data Operation and Internal Auditors.

3-. The impact of information technology on the risk assessment and analysis process. Internal control is concerned with risks and the risk assessment process due to the possibility of changes in the circumstances surrounding the company and technological developments that affect the activities and nature of the company's work. Risk from the point of view of internal control is the uncertainty about the occurrence of things that impact the achievement of objectives. The company and these risks are measured in terms of frequency or high probability of its record, and the risk is considered certain to occur in the information technology environment when the company's existing skills do not affect it when the probability of its occurrence is calculated based on several observations, and when the control system is weak (Bielke, 2001: 4).

4- The impact of information technology on control activities. Control activities occur at all levels of the company's operations. They include various activities, such as approvals or confirmations, reviewing performance, maintaining security procedures, and finding and maintaining appropriate records. These activities can be applied in an electronic or manual work environment, and among the most

important activities related to the information technology environment that companies should focus on are the following (Juma, 2009: 82)

A - Control of information processing.

B. Physical control over sensitive assets.

C- Oversight of the separation of powers

D - Supervise the correct recording of transactions and events promptly and provide information to them.

E - Monitoring the appropriate documentation of transactions and internal control.

5- The impact of information technology on communications and information. The information and communications revolution that the world is witnessing has contributed to the emergence of new developments in the field of business, including electronic commerce activity, which is considered a modern approach to conducting business using communications networks and information technology. The absence of exchanged paper documents characterizes electronic commerce. Parts and transactions are carried out through it, as all documents are sent electronically and without paper. Counting communications is an essential matter in the audit function, as auditors can use electronic communications to distribute them to the required parties effectively, and this, in turn, allows managers to take corrective measures in a more appropriate time and create a more incredible speed of response.

### **Seventh: Problems of using the electronic computer within the framework of internal control**

The computer performs logical operations by making practical and quick comparisons. It also helps store vast amounts of data and extract them from memory in a short time. Despite these many and varied characteristics of using the computer, its use in different establishments and accounting work is posed by many problems. These problems can be grouped as follows: (Jomaa, 1999, 167-172)

1- Problems related to programs: SOFTWARE ) This problem is related to the extent of program designers' interest in planning programs with

the required efficiency, in the shortest possible time, and writing programs in a problematic way to modify. These problems arise from several reasons:

A- Errors C- Errors Inflexibility of programs Problems related to hardware Perhaps the most important of these problems is the obsolescence of computer equipment and inefficient maintenance.

B - Lack of accuracy in operating computers.

C- The high cost of computers calls for the need for high financial investments.

D. Many of the criteria necessary to evaluate economic savings in the accounting system are absent, as well as the criterion that the most important problems of transferring data (inputs) are (Juma, same previous source 1999, from 168).

2- Problems related to inputs

A - Employee errors and equipment malfunctions.

B. Fraud and manipulation.

C - Defects in communication lines and electrical power.

D- Fires and natural disasters

3- Problems related to data operation (processing). The most important of these problems are:

A- Poor operational planning process. This problem is due to:

B - Disrupting the continued performance of services and not preparing the equipment service according to the programs.

C- Lack of spare parts

D - Failure to monitor communications lines and failure to set standards for operating methods.

F—Poor work scheduling leads to confusion and increases the time allocated for its performance.

G- Poor monitoring and supervision of operation. The periodical is a peer-reviewed scientific quarterly issued by the College of Administration and Economics. is due to :

•The absence of standards that prevent the computer operator from making any modifications to data and programs.

•The absence of standards that prevent errors, forgery, or exploitation of work time to perform

personal duties

4- Problems related to transferring information (outputs): Getting information out requires displaying it on a screen, storing it on discs, or printing it. Perhaps the problems in this regard are: (Juma 1990: 169)

A- Difficulty seeing or reading the information printed on CDs.

B - Failure to specify the data of the regulatory record contained in the latest file, which reflects the number of updated logical and physical records.

C - Not preparing summaries of some data items. Please record account balances.

D - Problems related to the confidentiality of information.

5- Problems related to the scientific and practical qualification of accountants. The success of using computers in many establishments is due to the stamina of the human elements responsible for operating them, including accountants. Therefore, the lack of scientific and practical qualification for them results in many problems, perhaps the most important of which are:

A- Errors in the accounting guidance of some operations and the resulting wrong inputs and, consequently, wrong outputs that the computer has nothing to do with.

B—Mistakes in some accountants' understanding of computer capabilities. In the practical field, we find that some accountants are not convinced of the computer's superior ability to complete work quickly and its great ability to store data.

C- Delay in preparing the computer for all operations as soon as this delay leads to a delay in obtaining the outputs with the required speed.

D-Incorrectly, and the resulting incorrect inputs and outputs of the electronic computer. Errors in inventory reconciliations, as some accountants perform some inventory reconciliations. There needs to be more interest in colleges and universities in developing curricula and focusing only on teaching the electronic computer and its problems in



practical applications.

6- Problems related to electronic computer control: The diversity of control in terms of it being fluid control, preventive control, or corrective control, and the fact that the operation of the computer depends primarily on the human, and it is not possible to prevent the human from making spontaneous errors when entering data, in addition to the human being's refusal to control whatever it is. Its type, therefore, is the most critical problem in monitoring the electronic computer (Juma, 1990:169-170). These problems are related to the limits of errors and speed. They are represented by death—auditing and not protecting files due to their apparent inability to be read by humans. Recover data if lost in the memory of those in charge of electronic operation. They are sharing problems in the area.

### **The Third Topic**

#### **The Practical Side**

The study aimed to identify the role of applying the internal control system to the electronic operating system in increasing investment to revitalize industrial facilities, by presenting and clarifying the theoretical framework of the internal control system in financial markets and attracting foreign investments. In addition to evaluating the role of the electronic operating system in raising the efficiency of emerging industrial establishments by studying the requirements of what foreign investors need in accordance with the presentation and disclosure requirements in international accounting standards and closely related agreements. For this purpose, the researcher used two approaches. The first is the inductive approach through library studies and extrapolation of books, articles and other sources that dealt with the internal control system over the electronic operating system. The second is the deductive approach by arriving at the relationship between the internal control system and increasing the efficiency of financial markets and attracting investors to study the number of Among the most important hypotheses are the relationship of the internal

control system and its role in attracting foreign investments, and the relationship of accounting disclosure and its role in achieving the dimensions of sustainable development. The results of the study showed that the electronic operating system helps bring accounting standards to the accounting department to achieve sustainable development in all its dimensions. It also helps investment companies reduce the degree of risk when making investment decisions in order to achieve sustainable economic development. It also contributed to improving the performance of industrial companies in order to help achieve the electronic dimension, and helped investment companies and investors develop their financial operations to avoid high investment risks.

Practical importance:

The importance of the process is as follows:

A- Paying attention to the requirements of external parties (foreign investors) in a way that helps them make decisions with the aim of attracting

Investors and direct their investments according to the highest level of economic effectiveness indicators.

B- Supporting the electronic operating system in the financial markets and increasing its effectiveness, enabling it to raise business performance and move towards efficient competition.

A field study to evaluate the role of the electronic operating system in attracting investment in industrial facilities

Introduction : In this study, the researcher identifies the role of the internal control system in attracting investment with the aim of revitalizing industrial facilities by applying it to companies listed on the stock exchange. In an effort to clarify this role, the researcher has developed a set of statistical hypotheses through which the objectives of the study can be achieved. Accordingly, a set of statistical methods were used that are appropriate to the nature of the study data as well as to the hypotheses subject to testing. In light of this, a set of research questions were developed that

achieve the goal of the field study. These questions were:

- 1 - Is there a significant difference between the opinions of the study sample about the internal control system ?
- 2- Is there a significant impact of the internal control system on attracting investment with the aim of stimulating financial markets?
- 3- Is there a relative importance to the factors associated with the decisions of managers in the internal control system regarding information for the financial market?

In order to answer these research questions, the researcher used the statistical software package in the social sciences known as (23.V SPSS ), in order to analyze the statistical hypotheses after transcribing the answers of the study sample. To achieve this, this section was divided into two sections, which are : As follows:

1-: Study methodology .

2 -: Analysis of the results of the study

**Study Methodology Introduction:** Through this study, some elements can be identified through which the objectives of the field study can be formulated and in light of which the hypotheses of the study are tested. This can be explained as follows:

First: The objectives of the field study are represented in the following points :

1- Identify the extent to which there is a difference between the opinions of the study sample about the internal control system .

2 - Explaining the impact of the internal control system on attracting investment with the aim of stimulating the financial markets in companies listed on the stock exchange. The internal control system for information on the financial market. .

Reaching a set of results and recommendations that can serve the study community in practice .

Second: Field study sample : In determining the sample size, the researcher relied on the

statistical law. The study sample members were divided into a group of functional categories for companies and institutions listed on the stock exchange. The sample was divided into the following categories: securities investors, financial analysts, and accountants. Finance, auditors .

#### **The fourth section: Analysis of the study results (questionnaire results)**

**Introduction :** This section seeks to test the hypotheses of the study previously mentioned in the third section, in light of the objectives that have been formulated. This section will also contain an analysis of the study data using statistical methods, in the light of which a set of statistical results and recommendations that benefit the study community will be reached. And similar societies, and the elements contained in this research can be clarified as follows : First: Testing validity and reliability : Cronbach's alpha coefficient is considered one of the main coefficients used to judge the validity and reliability of the study tool represented in the questionnaire list, where the concept of validity means that the test seeks to reveal About the phenomenon for which the study is being conducted, and then the truthfulness of the statements that are displayed in the questionnaire list and express the variables subject to the test, while reliability means testing the data and information collection tool to ensure the degree of consistency, which allows measuring the variables you measure with a high degree of accuracy and obtaining results. Identical or similar if it is used more than once to collect the same information or measure the same variables, whether from one researcher or several researchers at different times and circumstances.

Analyze the results of the questionnaire

**Table No. (1) shows the process of distributing questionnaires, collecting answers, and their responses (institutions and companies)**

Individual response %	Forms that were lost or recovered from individuals	Forms distributed to individuals	Enterprise
12.5%	7	8	Ministry
85.7%	1	7	circle
83.3%	1	6	hospital
50%	3	6	section
50%	3	6	to divide
50%	2	4	Section
%54.05	17	37	the total

The researcher explains that 37 questionnaires were distributed to institutions and companies , and 17 questionnaires were recovered and lost, as shown in the table above, which was a rate of 45.95 %, and there was a response rate to 20 questionnaires, a rate of 54.05 %. It is noted that the response rate of individuals who agreed to answer is greater than the average, which is an acceptable, reasonable, and verified rate. Objectives of the research.

In this study, a test was used to measure the reliability coefficient, which means the degree of stability of the answers of the respondents, including individuals, and the stability of the results of the scale and thus the results of the research.

Process of presenting and analyzing the questionnaire:

The researcher used many descriptive and statistical standards and tests, as well as the use of the SPSS program , the statistical package. The program is considered one of the most common programs used in analyzing data for research and human studies because it has features and analytical capabilities, superior flexibility, ease of use, and entering and processing data with distinctive smoothness. Meaning the stability of the answers if the scale is presented to the researcher at different times, and the alpha coefficients can be calculated through the SPSS program as in the following table No. (1)

Honesty transactions	Reliability coefficients	Number phrases	of Key variables	M
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0.915	0.838	10	Internal control system	1
0.951	0.905	10	Attract Investor decisions	2
0.925	0.855	by decision	5 Factors associated with 'managers decisions regarding electronic systems	3

-

Presentation and analysis of survey questions:

- The gender questionnaire: aims to identify information and personal and demographic characteristics of individuals that help in identifying the study population.

**Table No. (1-5) shows the classification of individuals according to gender**

		Frequency	Percent	Valid ratePercent	Cumulative Percent
Valid	male	19	38.8	95.0	95.0
	feminine	1	2.0	5.0	100.0
	Total	20	40.8	100.0	
Missing	System	29	59.2		
Total		49	100.0		

Table (1-5) indicates that 38.8% of individuals are male and 2.0% of individuals are female.

It can be concluded from this table that the percentage of males is much greater than the percentage of females, and this indicates the majority of managers, leaders, and employees are male, and this is likely to be due to the culture of

society, which prefers to give priority to men over women in the professional and scientific fields. There are many reasons why a female does not want to Leaders or answering questions for ambiguous reasons .

Figure No. (1)

(2-5) Table					
		Frequenc Repeaty	Percent	Valid Percent	Cumulative Percent
Valid	31	1	2.0	5.0	5.0
	33	1	2.0	5.0	10.0
	34	1	2.0	5.0	15.0
	35	2	4.1	10.0	25.0
	37	1	2.0	5.0	30.0
	38	1	2.0	5.0	35.0
	39	1	2.0	5.0	40.0
	40	2	4.1	10.0	50.0
	42	1	2.0	5.0	55.0
	43	1	2.0	5.0	60.0
	44	1	2.0	5.0	65.0
	45	1	2.0	5.0	70.0
	47	1	2.0	5.0	75.0
	48	1	2.0	5.0	80.0
	50	1	2.0	5.0	85.0
	51	1	2.0	5.0	90.0
	52	1	2.0	5.0	95.0
	55	1	2.0	5.0	100.0
	Total	20	40.8	100.0	
Missing	Syste m	29	59.2		
Total		49	100.0		



It is clear from Table (2-5) that 4.1% of the individuals are between the ages of (35) and (40) years and that the percentage is 2.0%. Their ages (the rest of the age group) were equal, while no one was more than 55 to 60. This suggests that most of the individuals surveyed are between 35 and 40 years old, which is a good and positive indicator. The table reveals a labeled distribution of ages

among the surveyed individuals, a finding that underscores the continuity between generations and is a positive outcome for the research. Table (3-5) shows the educational qualifications of individuals. The study is institute, university, and postgraduate

Study is institute, university and postgraduate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	institute	3	6.1	15.0	15.0
	University	10	20.4	50.0	65.0
	Postgradu ate	7	14.3	35.0	100.0
	Total	20	40.8	100.0	
Missing	System	29	59.2		
Total		49	100.0		

Table (3-5) shows that 20.4% of individuals hold a university degree, 14.3% of individuals hold postgraduate studies, and 6.1% hold an institute qualification. The total number of those who hold university degrees is more than half, and this gives a good indicator. It is positive, followed by those with advanced degrees in second place. It is considered a positive phenomenon that contributes to enabling

senior and middle management to gain knowledge of the concepts and methods of modern management of standard costs and their impact on institutions and companies, improving quality management, and improving work performance efficiently and effectively. Table (4-5) shows the participation of institutions and companies Enterprise

**Enterprise**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Ministry	1	2.0	5.0	5.0
	circle	6	12.2	30.0	35.0
	hospital	5	10.2	25.0	60.0
	section	3	6.1	15.0	75.0
	to divide	3	6.1	15.0	90.0
	Section	2	4.1	10.0	100.0
	Total	20	40.8	100.0	
Missing	System	29	59.2		
Total		49	100.0		

It was shown in Table (4-5) that the percentage of 12.2% of individuals in the main department is greater than the rest of the institutions and companies and this indicates the positivity and efficiency of the department's leaders and managers, as they have good knowledge of the standard costing process. The percentage of individuals in hospitals is 10.2%, and this is a positive indicator. The percentage of 6.1% of

individuals in both the sector and the department. The percentage of 4.1% of individuals in a division and the percentage of 2.0% of individuals in the ministry, noting that the ministry has specialists in the subject of the study, but due to the country's current conditions, they did not contribute. And cooperate with the researcher.

**Table (5-5) shows subscription by service**

Service from 5-10 and more than 10					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	8	1	2.0	5.0	5.0
	9	1	2.0	5.0	10.0
	10	1	2.0	5.0	15.0
	11	2	4.1	10.0	25.0
	12	1	2.0	5.0	30.0
	13	1	2.0	5.0	35.0

	16	2	4.1	10.0	45.0
	19	3	6.1	15.0	60.0
	20	2	4.1	10.0	70.0
	22	1	2.0	5.0	75.0
	24	1	2.0	5.0	80.0
	25	1	2.0	5.0	85.0
	27	1	2.0	5.0	90.0
	30	2	4.1	10.0	100.0
	Total	20	40.8	100.0	
Missi ng	Syste m	29	59.2		
Total		49	100.0		

It was shown in Table (5-5) that the percentage of 6.1% of individuals in the service is greater than the rest of the percentages in the service, and this indicates the positivity and efficiency of their service being 19 years, as they have good knowledge of standard costs and departments. The percentage of 4.1% of individuals for each of the amounts of service (11-16-20-30) and this is a positive indicator. And the percentage of 2.0% of individuals for each of the amounts of service (8-9-10-12-13-22-24-25-27) .

The reliability of the scale was calculated using the Facronbach method:  
The researcher calculated the alpha coefficient for each scale used in the study with the aim of testing the alpha coefficient for each scale used in the study with the aim of testing the stability of the scales. The value of the alpha coefficient ranges between (0) and (1), and the closer it is to one indicates the presence of high stability, and the closer it is to Zero indicates no stability.

Alpha coefficient	Number of phrases T	Variables
0.94	28	Internal control system -1
3.8	4	'Is there a relationship between managers -2 ? decisions and... Internal control system

MEAN	0.0	5	3- Is there a relationship between the level and ...quality of information technology used in The company and the type of accounting practices that the company chooses to apply and who in light of their accounting systems Including transformation To apply and attract foreign investments
5.00			

The results shown in Table No. (1) indicate that the alpha coefficient values for the measures used in the study were all greater than (0.6), which is the minimum acceptable limit for the

alpha coefficient, and therefore it can be said that the measures used enjoy internal consistency. Except for the third paragraph of the table, which was lower .

Alpha	Number	Variables
coefficient	of	
	phrases	
	T	
0.94	28	Internal control system -1
3.8	4	'Is there a relationship between managers -2 ? decisions and... Internal control system
MEAN	0.0	5
5.00		3- Is there a relationship between the level and ...quality of information technology used in The company and the type of accounting practices that the company chooses to apply and who

in light of their accounting systems Including transformation To apply and attract foreign investments		

5.00

0.000

0.000

5

Is there a relationship between the level and quality of information technology used in...  
The company and the type of accounting practices that the company chooses to apply and who  
Including accounting systems in light of their transformation To apply and attract foreign investments

Table (2) shows the test of reliability and stability of the questionnaire using the alpha scale for internal consistency. It indicates that the alpha coefficient is about 0.941, or approximately 94.1%. This indicates that the questionnaire has high reliability and high stability, and this is an excellent indicator of the results of the study.  
**Reliability Statistics Statistics**

Cronbach's Alpha	numberof items
.941	28

Table (3) shows the weights of individuals' answers according to the three-way

Likert scale

Answer weights	Individuals' answers according to Likert scale
1	OK
2	neutral



3	not agree
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**It is clear from the table that the calculation of the hypothetical mean for these weights is as follows:**

**The hypothetical arithmetic mean equals the sum of the weights divided by the number of weights =  $6 \div 3 = 2$**

The table shows the level of whether there is a relationship between the degree of diversification and attraction of investments in companies and the type of accounting practices that the company chooses to apply, including accounting disclosure systems in light of the company's shift to implementing a policy of external party requirements and the lack of a correct plan and feasibility study. The answer was 61.4%, which is more than The average rate was 38.6%, which is low and not at the desired level

Did the opening of private educational institutions contribute to increasing the number of disguised unemployment?

There are fundamental differences between the samples with regard to their responses to the standard costs score, depending on age. The F test values and their significance indicate that there are no statistically significant differences at the 0.05 level of significance between the samples with regard to their responses to the standard accounting costs, depending on age.

**Is there a balance in supplying health institutions with working job titles?**

There are fundamental differences between the samples with regard to their responses regarding the degree of knowledge of standard costs, due to the lack of balance in providing institutions with accounting cadres according to the actual need, and the answer rate of 87.3% was (no). The R test values and their significance indicate the presence of statistically significant

differences when The lowest level among the samples with regard to their responses to the existence of a balance in providing institutions with equally working job titles was 12.7%, which is low.

**There are fundamental differences between the samples with regard to gender, and the response rate was 82.1% (male), and the response rate was 17.9% (female). Test values indicate that males responded more than females.**

According to the employment status, there was a high percentage of job cadres, and the answer rate was 91.8% (employee), and a very small percentage for the remaining categories, which was at a rate of 8.2%, where the test values and their significance indicate the presence of statistically significant differences. At the lowest level among the samples with regard to their responses to The answer comes from other categories of students and earners.

“ A field study to evaluate the role of accounting disclosure in attracting investors in financial markets.” This chapter was dealt with through two sections, where statistical methods were used that were appropriate to the variables of the study, as well as according to the nature of the data used and the nature of the statistical hypothesis subject to testing, and the researcher relied in this on The statistical software package in the social sciences, known as SPSS. The results revealed that there is a significant relationship between the variables, as well as a significant effect between them, in addition to the presence of relative importance in the factors associated with managers' decisions to disclose accounting information to the financial market.

Factors associated with managers' decisions regarding accounting disclosure	-3 ? Attracting investors' decisions	-2 Accounting disclosure	-1 the age	Functional status	Sex
Yes	Yes	Yes	40-50	employee	feminine
Yes	both	Yes	40-50	employee	male
Yes	both	Yes	30-40	employee	male
Yes	both	Yes	40-50	Winner	male
Yes	Yes	Yes	20-30	Winner	male
both	both	Yes	30-40	employee	feminine
both	Yes	both	20-30	employee	male
Yes	both	both	20-30	employee	male
both	Yes	Yes	20-30	Winner	male
both	both	Yes	20-30	employee	feminine
Yes	both	Yes	30-40	employee	male
both	Yes	Yes	30-40	employee	feminine
Yes	Yes	Yes	40-50	employee	male

<b>Yes</b>	<b>both</b>	<b>both</b>	<b>30-40</b>	<b>employee</b>	<b>male</b>
<b>both</b>	<b>Yes</b>	<b>Yes</b>	<b>30-40</b>	<b>employee</b>	<b>male</b>
<b>Yes</b>	<b>both</b>	<b>Yes</b>	<b>30-40</b>	<b>employee</b>	<b>male</b>
	<b>Yes</b>	<b>Yes</b>	<b>40-50</b>	<b>employee</b>	<b>male</b>
<b>both</b>	<b>Yes</b>	<b>Yes</b>	<b>30-40</b>	<b>employee</b>	<b>male</b>
<b>both</b>	<b>Yes</b>	<b>Yes</b>	<b>20-30</b>	<b>employee</b>	<b>male</b>
<b>both</b>	<b>both</b>	<b>both</b>	<b>20-30</b>	<b>employee</b>	<b>male</b>

## CONCLUSIONS

- 1- The internal control system has an impact in light of the electronic operating system, working to detect errors promptly.
- 2- Adopting internal control under the electronic operating system reduces the time and effort in carrying out audit operations
- 3- Adopting an electronic operating system supports the effectiveness of internal control.
4. The electronic operating system helps in providing accurate and appropriate information, which increases the efficiency of the internal control process.
- 5- The presence of an efficient internal control system reduces errors, whether intentional or unintentional.

## RECOMMENDATIONS

In light of the above conclusions, we recommend:

- 1- Develop an internal control system compatible with technological developments in electronic operating systems.
- 2- Creating controls that govern the work of oversight under electronic operating systems.

- 3- Establish an internal control system compatible with electronic operating systems. Applying an electronic operating system saves time and effort in the internal control process and increases effectiveness.

- 4- Work to qualify and educate accounting cadres by holding specialized courses on electronic operating systems.

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