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**THE ROLE OF INTERNAL CONTROL IN REDUCING FINANCIAL  
CORRUPTION (FIELD STUDY ON FARMERS COMMERCIAL  
BANK)**

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**Abstract**

The study investigated The Role of Internal Control in Reducing Financial Corruption applied on Farmers Commercial Bank . The problem of the study represented in is the internal control system contributes to reducing financial corruption in banks? And Is that Internal control activities help to reduce financial corruption in banks? The study aimed to identify the reasons that lead to the spread of the phenomenon of financial corruption. The importance of the study lies in the researcher follows the steps of writing a research, sequencing the application of the experiments, obtaining the answers and results of the research and studying the previous research that deals with the subject of his research The study adopted inductive approach, descriptive analytical approach, and historical approach. The questionnaire used to collect data from Farmers Commercial Bank. To achieve the goals of the study, the following hypotheses were tested: First hypothesis: The internal control system contributes to reducing financial corruption in banks Second hypothesis : That Internal control activities help to reduce financial corruption in banks The study found that; The independence of activities in asset control and preservation helps to reduce financial corruption in banks, Preparing detailed planning budgets for operations that help reduce financial corruption in banks The study recommended several recommendations, among which is that; Cases of corruption must be addressed through studying the causes of corruption. Campaigns are not enough to deal with corruption in people suffering from poverty and destitution. There must be economic, social and political reforms in one.

**Keywords:** Internal Control' Financial Corruption' Commercial Bank.

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## ملخص

ناولت الدراسة دور الرقابة الداخلية في الحد من الفساد المالي المطبق على بنك المزارع التجاري. تمثلت مشكلة الدراسة في هل نظام الرقابة الداخلية يساهم في الحد من الفساد المالي في البنوك؟ وهل أن أنشطة الرقابة الداخلية تساعد في الحد من الفساد المالي في البنوك؟ هدفت الدراسة إلى التعرف على الأسباب التي أدت إلى انتشار ظاهرة الفساد المالي. تكمن أهمية الدراسة في أن الباحث يتبع خطوات كتابة بحث ، وتسلسل تطبيق التجارب ، والحصول على إجابات ونتائج البحث ، ودراسة البحث السابق الذي يتناول موضوع بحثه ، واعتمدت الدراسة المنهج الاستقرائي. والنهج التحليلي الوصفي والنهج التاريخي. استخدم الاستبيان لجمع البيانات من بنك المزارع التجاري. ولتحقيق أهداف الدراسة كانت الفرضيات التالية: الفرضية الأولى: نظام الرقابة الداخلية يساهم في الحد من الفساد المالي في البنوك. الفرضية الثانية: أن أنشطة الرقابة الداخلية تساعد على الحد من الفساد المالي الذي تم اختباره في البنوك. تساعد استقلالية الأنشطة في مراقبة الأصول والحفاظ عليها في الحد من الفساد المالي في البنوك ، إعداد ميزانيات تخطيطية تفصيلية للعمليات التي تساعد على الحد من الفساد المالي في البنوك. أوصت الدراسة بعدة توصيات ، من بينها: يجب معالجة قضايا الفساد من خلال دراسة أسباب الفساد. الحملات لا تكفي للتعامل مع الفساد لدى الناس الذين يعانون من الفقر يجب أن يكون هناك إصلاحات إقتصادية وإجتماعية وسياسية في واحد.

الكلمات المفتاحية: الرقابة الداخلية البنك التجاري "الفساد المالي".

### 1. Methodological framework:

In this recent years the interests of the companies and institutions in developed countries has increased in the internal control, and this interests have represented in many different aspects. Above all is the increasing of interest of companies to establish an independent listing of the internal control, while working to support it with human competencies that enable them to achieve the goals with high efficiency and effectiveness.

#### 1.1. Statement of problem:

For resolve this problem we formulated the following questions:

Q1. Is the internal control system contributes to reducing financial corruption in banks?

Q2. Is that Internal control activities help to reduce financial corruption in banks?

#### 1.2. Importance of the study:

This study is of importance to the growing importance of this subject, which has been strongly re-emphasized in a world Business organization of different types and sizes, so that this theme supports the future direction of the organization Is considering further efforts to increase its social responsibilities, in order to achieve excellence in its performance.

### **1.3. Objectives of the study:**

The study aimed to achieve the following goals:

- a. Statement of the concept of financial corruption and its relationship with other types of financial corruption
- b. Identify the forms of financial corruption and demonstration.
- c. Identify the reasons that lead to the spread of the phenomenon of financial corruption.
- d. Identify the effects of financial corruption.
- e. To reach the procedures through which internal control can combat financial corruption.

### **1.4. Hypotheses of the study:**

To achieve the study's objectives, the following hypotheses were tested:

- H1. The internal control system contributes to reducing financial corruption in banks.  
H2. Internal control activities help to reduce financial corruption in banks .

**1.5. Sources of data collection: Initial Sources:** The primary data of this study collected using questionnaire. **Secondary Sources:** Secondary collected from references, previous studies related to research subject and internet.

### **1.6. Methodology of the study:**

The study adopted inductive approach, analytical descriptive approach, and historical approach.

### **1.7. Limits of the study:**

Spatial limits of the study represented in Farmers Commercial Bank., while the time limits carries out in 2020.

## **2. Previous studies review:**

The study of Abdul Zahra Khaddar Hider(2010); This research dealt with the possibility of reducing excesses and irregularities in the health institutions in Iraq. The problem of research is reflected in the lack of the control and internal audit department to a system to evaluate its performance to

reflect the aspects of performance and lack of the possibility of reducing irregularities and abuses in health institutions to the weakness of the cadres of the section in terms of scientific and practical qualifications. This leads to material damage to public money. The researcher concluded that the need for a system of internal auditing and auditing in the institutions, supervision and internal auditing has a role in the evaluation system to reflect the aspects of performance in it and the weakness of the cadres in terms of scientific qualifications, which leads to material damage to public funds.

The study of Fayyad 'Abdu al-Khaled Yahiya (2012); The problem of research in the issue of the existence of deficiencies in the statement of ways to activate the system of internal control in most service units, especially in the area of reducing financial and administrative corruption. The problem of research is reflected in answering questions. The hypothesis of the research summarized that activating the internal control systems in the service units would lead to limiting the phenomenon of financial and administrative corruption in them. The descriptive analytical method was followed in the research and the method of collecting data from letters and letters was the use of books and periodicals. And the use of seminars and conferences (research provided for seminars, conferences and the Internet). The researcher concluded that the phenomenon of financial and administrative corruption has an impact on the profession of accountant and auditing.

The study of Hassan Mohamed Hameed Hussein (2017); The aim of this study is to clarify the role of the internal control system in reducing financial and administrative corruption by studying. The research problem was the use of administrative powers for the purpose of achieving personal interests at the expense of the interests of the economic unit and by following the deviant behaviors of some employees within the administrative system or outside. The main results of this study are that the role of internal control is not limited to accounting auditing, which focuses on the examination of financial operations for the purpose of ascertaining its registration and discovery of mistakes, but extends to all areas of different operational and administrative aspects. The researcher concluded in this study that internal control has a role in reducing financial and administrative corruption by studying, analyzing and diagnosing the reality of the internal control system and the level of application compared to the internal control standard.

The study of Badar (2019) the current study aims at identifying the effect of internal control on the competitive advantage of the bank with its three dimensions (administrative, financial and operational control) on the competitive advantage of the bank. The analytical, descriptive and deductive approaches were applied in the current study. The current study is a field study in terms of nature and explanatory in terms of purpose because it aims at revealing the cause and effect between internal control and competition. In terms of time horizon, it is a cross-sectional study applied on a sample that composes of all employees of the internal control department in banks. 137 questionnaires were distributed to the employees of Internal Control Department of the banks; 106 of which were retrieved, with a recovery rate of 77.36%. Statistical Package for the Social Sciences (SPSS) was used to test the hypotheses of the study and to answer its questions through Simple & Multiple Linear Regression. Among the most important results of the study was a statistically significant effect of internal control (administrative, financial and operational control) on the competitive advantage of the bank. The study recommended the establishment of an efficient internal control department through linking it to the director of audit or the general manager, and

the feedback of such department shall be taken into consideration and the reasons of such feedback shall be identified without delay in order to reduce the risks, increase profits and raise the level of performance, and thus, increase the competitive advantage of the bank.

### **3. Theoretical framework of Internal Control:**

#### **3.1. Concept of internal control**

Internal Control is a connection net through which the performance of an enterprise is controlled to ensure its right actions in the future internal Control is a financial and operation management of the enterprise aimed to achieve profit from its performance .Internal control is part of the enterprise management system. That is a plan of enterprise internal control, means and ways to protect property, to check rightness of the performance, guarantee the effectiveness and politics of the performance. It helps to avoid mistakes, to find and correct them in time, to achieve the goals and to suppose perspectives. (Yousef ,2014 , p. 15 )

#### **3.2. Importance of internal control:**

The internal has developed across years until it reach us to recent concept; most countries have imposed on its firms to set its own control system. The internal control serve entities many services including detecting and preventing fraud, testing internal control, and monitoring compliance with company policy and government regulation. Smaller companies may require the functions even more than large companies may. A small business simply cannot afford employee fraud, waste, or a government fine. Establishing internal audit function provides a vital step in the growth of a small business The internal control system established to help organization to protect its objectives including the profitability goals and achievement its mission and to minimize surprises along the way An effective internal control helps management rapidly responding for any changes including the environment competitive, changing customer demand, and economic conditions .Internal control aids in reducing assets losses, efficiency and help ensure the reliability of financial reporting and compliance with laws and regulations..( Morgana ,2015, p. 16)

#### **3.3. Control Objectives**

Any internal control system will command a cost in resources and to justify this cost there is a need for a higher objective, the achievement of which is advanced by the system. Such control objectives are varied in nature and will invariably be specific to each organization. Example control objectives include compliance to regulations, adherence to standards and improving quality. In some systems, reduction of risk might comprise a control objective in itself while in others risks may exist as a separate layer. Examples of control objectives, Protect against financial loss following disaster ,Prevent fraudulent activity by employees, Maintain high password security

.Examples of internal controls, Buy sufficient insurance cover, Check out references for new employees .(Ahmed ,2013,p55 )

### **3.4. Components of the Internal Control System:**

There are Five Key Components of the Internal Control System: Control environment ,Risk assessment ,Control activities , Information and communication, Monitoring.

### **3.5 Type of internal Control**

The following are common types of internal controls:

1. Financial control : Financial controls such as adopting an accounting standard and segregation of duties.
2. Project Controls Control of projects using project management, risk management and project governance processes.
3. Risk Control The process of identifying and controlling risk such as a know your customer process for reducing credit risk.
4. Human Resources Controls Controls related to employee performance and organizational culture. For example, a process of employee performance reviews and disciplinary policies.
5. Quality Control The testing of products and services to ensure conformance to specifications and policy.

### **3.6. Principal Characteristics of the Internal Control System and Internal Control over Financial Reporting:**

The Company has in place a system of risk management and internal control over financial reporting based on the model provided in the COSO Framework, according to which the internal control system is defined as a set of rules, procedures and tools designed to provide reasonable assurance of the achievement of corporate objectives. In relation to the financial reporting process, reliability, accuracy, completeness and timeliness of the information contribute to the achievement of such corporate objectives(Salem,2015, p 63 ).

#### **4. Theoretical framework of Financial Corruption:**

##### **4.1. Definitions of financial corruption:**

Financial corruption is all financial deviations in violation of the general laws or the provisions of regulations and legislation and procedures governing the work of the State and private institutions and individuals and applied in the institutions of the state and the private sector in general and is inconsistent with the controls and instructions of financial control(Mohammed ,2011,p198) .

##### **4.2. Administrative and Financial Corruption :**

4.2. Is a violation of laws and deviation from the performance of public duties in the public sector to achieve a personal money and is known through the broad concept in violation of the honor of the job and professionalism and the values and beliefs that the person believes in and is also subject to the public interest of personal interests and most often by Brokers are not direct. (Fatima Abdul Jawed ,2013,p.p45-46).

##### **4.3.Reasons for financial corruption:**

**The causes of corruption can be identified by:**

- a- Political reasons: The political reasons are the absence of freedoms and the democratic system of institutions of civil society, the weakness of the media and censorship.
- b- Social causes: Represented by wars and their effects and consequences in society and external interference, sectarian and tribal and sympathetic concerns caused by the lack of stability of the situation and fear of the next unknown.... Collect money by means of this future and the mysterious unknown.
- c- Economic reasons: The deteriorating economic conditions and the sting of the behavior of corruption and the high cost of living.
- d- Administrative and organizational reasons: The complex procedures (bureaucracy) and the ambiguity of legislation and the multiplicity or non - work, and within the institution for not relying on good competencies in all administrative aspects.(Noor Tahir Al-Aqraa ,2016,p55)

#### **4.4. Effects of financial corruption:**

The implications of administrative and financial corruption:

The seriousness of the corruption that poses problems and risks to the stability of societies and security, which undermines the institutions of democracy and values and moral values of justice and presents the sustainable development and the rule of law at risk and the consequences of financial and administrative corruption of devastating effects on all components of life in the state, Money, wealth, time and energy are lost, and the functioning of the government is hindered by the achievement of jobs and services. It leads to sabotage and corruption not only on the economic and financial level, but also in the political, social and cultural fields. Public services related to marine life Citizens.( Al-Fotouh,2016,p89) .

#### **5. Field study:**

##### **5.1. Field study procedures:**

The researchers discuss the method and procedures followed in the implementation of the study. This includes a description of the study community, the sample of the study, the method of preparing its tools, and the statistical methods used to test the hypothesis of the study. The study community is the total group of elements that the researcher seeks to generalize the results related to the problem. The study community consists of Farmers Commercial Bank .

##### **5.1.1. The study's sample:**

The sample of the study was determined according to its scientific specifications that achieve the objectives of the study from the internal auditor, external auditor, accountant, risk office, investment officer, and head of department, to achieve the purpose of the study.

##### **5.1.2. Data collection:**

A total of (50) forms were distributed on the pre-defined and targeted sample to verify the hypotheses of the study. A total of (50) forms were collected for analysis, (100%), To produce accurate results and disseminate them to the study community, the researchers are keen to vary the sample of the study in terms of its coverage on the following: a. Individuals of different years of age (less than 30 years, 30 years and less than 35 years, 35 years and less than 40 years, more than 40 years). b. Individuals with different qualifications (BSc, High Diploma, Master, PhD, Other).



c. Individuals from different scientific disciplines (accounting, financial and banking studies, business administration, accounting information systems, economics, other.). d. Individuals of various functional occupations (internal auditor, external auditor, accountant, risk office, investment officer, department head, other). e. Individuals of different years of experience (less than 5 years, 5 years and less than 10 years, 10 years and less than 15 years, 15 years and less than 20 years, more than 20 years).

### **5.1.3. Tools of the study:**

The tools of the study are the means used by the researcher to collect the necessary data on the phenomenon studied. There are many tools used in the field of scientific research to obtain the necessary information and data. The researcher adopted the questionnaire as a main tool for collecting data from the study sample: a. Applicable for information from a number of individuals. b. Low cost and easy to apply. c. Easy to develop questions and answer questions and answer questions. d. The questionnaire provides time for the respondent and gives him an opportunity to think. e. Respondents in the questionnaire feel free to express opinions they fear others disagree with.

### **5.1.4. Stability and truthfulness Study tools:**

#### **a. Stability and Virtual Honesty:**

In order to ascertain the veracity of the questionnaires, the researchers presented the questionnaire to a number of academic arbitrators and specialists in the field of study. After the questionnaire was retrieved from the arbitrators, the proposed amendments were made. Stability and statistical honesty: The consistency of the test means that the scale gives the same results if used once under similar conditions. Stability means that if a test is applied to a group of individuals and their scores are monitored, then the same test is applied to the same group and the scores are obtained, the test is perfectly stable, also known as the accuracy and consistency of the measurements obtained from the test. The most commonly used methods for estimating the stability of a scale are (Half-way distribution using the Spearman-Brown formula, Alpha Cronbach method, Method of re-application of the test).Honesty is a measure used to determine the degree of honesty among respondents through their answers to a given scale.

#### **b. Use a questionnaire for survey sample:**

The questionnaire was distributed to a sample of (5) individuals from the research community and from outside the research sample in accordance with their characteristics with the sample of the

study to calculate the stability factor, to determine the degree of response of the respondents to the questionnaire and to identify ambiguous questions and to provide preliminary testing of hypotheses and to clarify some design and methodological problems. The stability test for the questionnaire was conducted using the alpha- Cronbach coefficient and the result was 0.873. This means that the data is stable as shown in Table (1) below :

**Table (1) below :**

**Table (1): Alpha Kronbach coefficient of the questionnaire**

Number	Axis	Number of ferries	Stability(constancy)
1	first hypothesis	5	0.850
2	second hypothesis	5	0.914
4	Total	10	0.917

Source: Researchers, 2022.

The above table shows that the Kronbach coefficient for all the terms of the questionnaire is 0.917, which is high and the reference to the terms of the questionnaire is that the increase in the value of the Kronbach coefficient means increasing the credibility of the data. This means that the measure measures what is measured

**5.1.5. Used Statistical methods:** To achieve the objectives of the study and to verify its hypotheses, the statistical methods used are (Frequency distribution of responses, Percentages, Spearman-Brown equation to calculate the coefficient of stability, Arithmetic mean, standard deviation and variance and chi - square test to denote hypotheses).

## 5.2. Data analysis and hypothesis testing

The researchers analyzed personal data, questionnaire data and tested the hypotheses of the study using statistical methods. In addition, a comparison is made between the most important results of the field study and the results of the previous studies, as follows:

## 2. Analysis of the questionnaire data:

**First sub hypothesis: The internal control system contributes to reducing financial corruption in bank**

**Table (2)**

**The frequency distribution of the responses of the sample members of the study for the first hypothesis phrases**

No	Sentences	Frequency and percentage%									
		Strongly Disagree		disagree		Neutral		Agree		Strongly agree	
		F	p	F	p	f	P	F	p	F	P
1	Existing of an effective monitoring system contributes in reducing financial corruption in banks	0	0%	0	0%	1	2%	20	40%	29	58%
2	Providing the necessary protection for monetary and non-monetary assets contributes in reducing financial corruption in banks	0	0%	1	2%	6	12%	20	4%	23	46%
3	The subordination of each employee to another employee for review contributes in reducing financial corruption in banks	0	0%	3	6%	4	8%	20	40%	23	46%
4	Conducting periodic inventory work required for assets contributes in reducing financial corruption in banks	0	0%	0	6%	7	14%	26	52%	17	34%
5	existing of effective measurement units to determine the results of operations contributes in reduction of financial corruption in banks	0	0%	0	4%	9	18%	20	40%	19	38%

Source: Prepared by researchers, based on field study’s data, 2022

From table (2) that explains the ratios and frequencies of the hypothesis expressions, which states, **“The internal control system contributes to reducing financial corruption in banks”**, the researchers noticed that, the respondents, answers are strongly agree and agree.

Table (3)

The mean and the mode of the responses of the sample members of the study for the phrases of the first hypothesis

No	Sentences	Mean	mode	Explanation
1	Existing of an effective monitoring system contributes in reducing financial corruption in banks	4.56	5	Strongly agree
2	Providing the necessary protection for monetary and non-monetary assets contributes in reducing financial corruption in banks	4.30	5	Strongly agree
3	The subordination of each employee to another employee for review contributes in reducing financial corruption in banks	4.20	5	Strongly agree
4	Conducting periodic inventory work required for assets contributes in reducing financial corruption in banks	4.20	4	Agree
5	existing of effective measurement units to determine the results of operations contributes in reduction of financial corruption in banks	4.12	4	Agree

Source: Prepared by researcher, based on field study's data, 2022.

From table (3), the researcher noticing that the descriptive statistics of the first hypothesis's terms which states, "table (2) that explains the ratios and frequencies of the hypothesis expressions, which states, "There are statistical significance relationship exists between **The internal control system contributes to reducing financial corruption in banks** " the arithmetic mean is in the range between (4.12 - 4.56) and the mode is in the range between (4-5). According to the Five-digit Liker's scale, the respondents, answers are; strongly agree and agree.

Table (4)

Test of Chi - square for the first hypothesis

no	Sentences	Chi-square	Degree of freedom	Statistical significance
1	Existing of an effective monitoring system contributes in reducing financial corruption in banks	69.310	1	.000

2	Providing the necessary protection for monetary and non-monetary assets contributes in reducing financial corruption in banks	54.186	2	.000
3	The subordination of each employee to another employee for review contributes in reducing financial corruption in banks	54.866	2	.000
4	Conducting periodic inventory work required for assets contributes in reducing financial corruption in banks	43.351	1	.000
5	existing of effective measurement units to determine the results of operations contributes in reduction of financial corruption in banks	55.264	2	.000

Source: Prepared by researchers, based on field study’s data, 2022.

In order to test the validity of the hypothesis, which states **“The internal control system contributes to reducing financial corruption in banks”** , the ki square test was used for the axis expressions. The values of the ki square calculated as follows (69.310, 54.186, 54.866, 43.351, 55.264)) With degrees of freedom (1-2), and with the statistical significance for all terms (0.00), When comparing the level of statistical significance with the permissible level of significance (0.05) we find that the level of statistical significance is less than the level of morale, which means there are differences of statistical significance of the terms of the hypothesis. From above discussion, the researchers conclude that, the second hypothesis that states, “Internal control activities help to reduce financial corruption in banks ”, achieved.

**The second hypothesis: “Internal control activities help to reduce financial corruption in banks”**

**Table (5)**

**The frequency distribution of the responses of the sample members of the study for the second hypothesis phrases**

No	Sentences	Frequency and percentage%									
		Strongly Disagree		Disagree		neutral		Agree		Strongly agree	
		F	P%	F	P	F	p	F	P	F	P

1	Preparing detailed planning budgets for operations that help reduce financial corruption in banks	0	0%	0	0%	1	2%	20	40%	29	58%
2	Having adequate internal documents to cover all activities and responsibilities helps to reduce financial corruption in banks	0	0%	1	2%	6	12%	20	4%	23	46%
3	The independence of activities in asset control and preservation helps to reduce financial corruption in banks	0	0%	3	6%	4	8%	20	40%	23	46%
4	Ensuring the accuracy of accounting data in reports and financial statements helps to reduce financial corruption in banks	0	0%	0	0%	7	14%	26	52%	17	34%
5	Ensuring adherence to and compliance with legal regulations helps reduce financial corruption in banks	0	0%	2	4%	9	18%	20	40%	19	38%

Source: Prepared by researchers, based on field study's data, 2022.

From table (5), which explains the ratios and frequencies of the hypothesis terms, which states, : **“Internal control activities help to reduce financial corruption in banks”** , the researchers noticed that, the respondents, answers are strongly agree and agree.

**Table (6)**

**The mean and the mode of the responses of the sample members of the study for the phrases of second hypothesis**

No	Sentences	Mean	mode	Explanation
1	Preparing detailed planning budgets for operations that help reduce financial corruption in banks	4.06	4	Agree
2	Having adequate internal documents to cover all activities and responsibilities helps to reduce financial corruption in banks	4.20	5	Strongly agree
3	The independence of activities in asset control and preservation helps to reduce financial corruption in banks	4.00	4	Agree
4	Ensuring the accuracy of accounting data in reports and financial statements helps to reduce financial corruption in banks	4.00	4	Agree
5	Ensuring adherence to and compliance with legal regulations helps reduce financial corruption in banks	3.92	4	Agree

Source: Prepared by researcher , based on field study’s data, 2022

From table (6), the researcher noticed from the descriptive statistics of the first hypothesis’s terms, which states, : **“Internal control activities help to reduce financial corruption in banks”** , the Arithmetic mean is in the range (3.92 - 4.20), and the mode is in the range between (5-4). According to the five-digit Likert’s scale, the respondents’ answers are; strongly agree and agree.

**Table (7)**

**Test of Chi – square for the second hypothesis**

no	Sentences	Chi-square	Degree of freedom	Statistical significance
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1	Preparing detailed planning budgets for operations that help reduce financial corruption in banks	55.886	1	.000
2	Having adequate internal documents to cover all activities and responsibilities helps to reduce financial corruption in banks	33.472	2	.000
3	The independence of activities in asset control and preservation helps to reduce financial corruption in banks	36.736	2	.000
4	Ensuring the accuracy of accounting data in reports and financial statements helps to reduce financial corruption in banks	64.838	1	.000
5	Ensuring adherence to and compliance with legal regulations helps reduce financial corruption in banks	63.359	2	.000

Source: Prepared by researchers, based on field study's data, 2022.

In order to test the validity of the hypothesis, which states, : **“Internal control activities help to reduce financial corruption in banks”** , the Chi-square test used for the axis expressions. The values of the Chi-square calculated as ((55.886, 33.472, 36.736, 64.838, 63.359)), with degrees of freedom (1-2), and with the statistical significance for all terms (0.00). When comparing the level of statistical significance with the permissible level of significance (0.05) we find that the level of statistical significance is less than the level of morale, which means there are differences of statistical significance of the terms of the hypothesis. From above discussion, the researchers conclude that, the second hypothesis that states, **“Internal control activities help to reduce financial corruption in banks”** , achieved.

## 6. Results of the study:

After completing the theoretical framework of the study and data, researchers found the following results:



- a. Preparing detailed planning budgets for operations that help reduce financial corruption in banks
- b. Having adequate internal documents to cover all activities and responsibilities helps to reduce financial corruption in banks
- c. Ensuring the accuracy of accounting data in reports and financial statements helps to reduce financial corruption in banks
- d. existing of an effective monitoring system contributes in reducing financial corruption in banks
- e. Providing the necessary protection for monetary and non-monetary assets contributes in reducing financial corruption in banks
- f. Existing of effective measurement units to determine the results of operations contributes in reduction of financial corruption in banks

## **7. Recommendations:**

Base on the results of this study, researchers recommended the following:

- a. Through the dissemination of high moral values and the rejection of value deviations and look at the corrupt in the eyes of those who set them heavenly laws and status and not to exaggerate the deviation and the values of integrity.
- b. Cases of corruption must be addressed through studying the causes of corruption. Campaigns are not enough to deal with corruption in people suffering from poverty and destitution. There must be economic, social and political reforms in one.
- c. The fight against corruption must be based mainly on strong management in the reform and not limited to appeals and appeals and wishes that do not guarantee and do not reap the hunger and must be transparent and accountable.
- d. The appropriate climate must be created to combat corruption through intensive media campaigns and the participation of the masses through popular organizations, trade unions and civil society institutions, and to maintain discussions and constructive dialogues that are keen on good conduct.

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