

Corruption in Iraq and its reflection on financial performance

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ABSTRACT

The research aims to determine some of the effects caused by financial and administrative corruption on the financial performance of the Iraqi state during the period 2017-2018, and the research was based on the hypothesis that there are effects of corruption that prevent the achievement of large allocations in the current budget for the planned goals, and the analysis and comparison of the allocated and disbursed amounts have been approved for governorates and ministries, which were obtained from the Iraqi Ministry of Finance. The research has reached a number of conclusions, the most important of which are that the current anti-corruption measures all represent subsequent control and accountability of the administrative procedure or spending, and therefore the waste of money occurs and accountability is at a later time and after a period that may be relatively long, and the researchers have recommended the necessity of adopting new methods that focus on the presence of previous control of the financial or administrative event, and perhaps transparency is one of the important pillars of creating previous community control.

Keywords: financial and administrative corruption, financial performance, financial allocations.

I. INTRODUCTION

Corruption generally takes many paths that are appropriate to the culture of peoples, the nature of their civilizations, and their political, economic and social identity. What is corrupt in a society may not be so in another society, but whatever manifestations of corruption are a term or an expression that refers in one way or another and results from low standards ethics are common in every society, and corruption is not limited to a society without others, but rather it exists over time as a temporary situation or as a rampant phenomenon that has suffered and suffers from both developed and developing societies. With regard to Iraq, it can be said that administrative and financial corruption is not born today but is rooted in societal structure since the formation of the modern Iraqi state in 1921, and this reveals one of the important reasons that crystallized from this dangerous phenomenon, which stands a real obstacle to the progress of the development process at its levels all different across all the stages that the Iraqi state has gone through wasting human and material capabilities (economic resources) and dedicated to the state of underdevelopment in our Iraqi society.

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Therefore, the researchers are trying in this research to shed light on the serious repercussions of this phenomenon on the financial performance of the country during the years 2017 and 2018, focusing on financial investment in particular, since the volume of investment spending is large since the year 2004 until now, and the achievements are not satisfactory and are not commensurate with the spending. One of the indications of the spread of corruption of all kinds in the various joints of the state is that Iraqi society in recent years is divided into categories with obscene richness and poor ones, and this case raises controversy among the popular circles because corruption has become a phenomenon that has made the state's general budget unable to implement its goals Drawn to her by the legislature convincingly despite the huge sums it contains, which illusions that there is future development.

II. RESEARCH METHODOLOGY

● Problem of Research:

No two differ in that the size of the Iraqi budget for the period from 2004 to 2018 is completely unprecedented in the history of the Iraqi state, and this suggests that a state of luxury will be touched by the citizen, but nothing of this happened and the budget numbers remained only ink on paper and a subject fertile for the media to praise Officials who supervised the development of these budgets, where we find that the amount of the expense from the budget, especially with regard to the investment budget, is much less than the allocations, and even what is spent from amounts did not happen any shift in the services provided to the citizen. Perhaps one of the reasons behind this is the extent of the administrative and financial corruption that is rampant in the various state institutions, and therefore the current research problem is limited to *determining the repercussions of corruption, especially administrative and financial, on financial performance during the years 2017 to 2018*. This period represents the time limits for the research.

● Importance of Research:

Although the issue of administrative and financial corruption has received and received the attention of many researchers, specialists and those concerned with public affairs in Iraq, this interest has not reached the level of an accurate diagnosis of the causes of corruption and how to reduce it and clarify the extent of the impact of this on the general performance of the state, so the importance of the current research is evident in It is a simple contribution to clarifying that the large size of allocations in the budget does not mean obtaining greater welfare for the citizen unless the causes are diagnosed and serious solutions are put in place for administrative and financial corruption in Iraq.

● Objectives of Research:

The current research aims to shed light on one of the vital topics in accountability for public money and to clarify the basic and necessary requirements and to combat and address administrative and financial corruption of all kinds at the present time, summarized in the following points: -

A- Finding a theoretical reference to the phenomenon of administrative and financial corruption in terms of its concept, forms, negative effects and methods of reducing or limiting it.

B- Statement and determination of the extent of the impact of the phenomenon of administrative and financial corruption on the financial performance of the state in Iraq during the years 2017 and 2018.

- **Research Hypothesis:**

In light of the previous theoretical studies of corruption and the described research problem and in order to reach and achieve the research objectives, the research hypothesis will be designed as follows- :

One of the main reasons for the failure to achieve the financial performance requirements for the goals set in the general investment budget is the phenomenon of administrative and financial corruption.

III. Theoretical framework for the concept of administrative and financial corruption:

- **Concept and Dimensions:**

For the purpose of defining the meaning of the terms used in the research, corruption must be defined in a language and convention. Corruption is a language that “spoils” against “Fix” and means nullity. When talking about the term corruption, it is necessary to find out what corruption is in every sense of this term, as corruption is associated with the minds of many people with "evil" and perhaps the truest definition of corruption is the definition that was mentioned in the Encyclopedia of Social Sciences as the misuse of public influence to achieve Private gain.

As for corruption as a term, there were many opinions aimed at defining its concept due to the multiplicity of forms and manifestations it takes in a society, and among these definitions are mentioned in the administrative and economic literature: -

- ✓ Corruption means abuse of power for private gain [1].
- ✓ Corruption is those actions carried out by individuals outside the government that benefit the public employee, allowing them to evade laws and policies, whether by using new laws or by abolishing existing laws that enable them to achieve direct and immediate gains [2].
- ✓ Corruption is a criterion for indicating the absence of effective state institutions witnessed in our time and accordingly, corruption is not only a result of the deviation of the current behavior from acceptable behavioral patterns, but also the result of the deviation of common norms and the same values from existing and customary patterns of behavior [3].

In light of what was previously passed, we feel that administrative and financial corruption is confined to the government sector, and this is contrary to the actual reality, as if corruption becomes a phenomenon in society we find it in both the public and private sectors alike.

Perhaps the following definition is the closest to accuracy from the researchers 'point of view in defining the broad concept of corruption: -“ It is everything that constitutes a real obstacle and obstructs all types and forms of social and economic development and threatens development in society in its comprehensive concept, and it threatens the security and stability of human societies and takes away the confidence of the members of society who manage their affairs [4].

No matter how many definitions are different and varied, corruption is an abnormal behavior that occurs when a person tries to place his own interests, whatever his position is above the public interest, or above the values and ethics that he pledged to serve, and takes multiple forms ranging from formal matters to unlawful actions through misuse of public policies And means of implementation, and corruption may involve in some of its manifestations the promise, threat and extortion by a public employee or agent, and in the public and private sectors.

- **Levels of corruption:**

Corruption appears at two basic levels: [5]

First: Administrative corruption at the level of institutions: - Some call it the largest corruption, as this type of corruption is related to members of the three legislative, executive and judicial authorities. Perhaps the biggest form of institutional corruption is corruption of ministers, senior managers and members of parliament from representatives of political parties as well as judges in the state, especially when they overlap The personal interests of a sample of those among them, as the public interest becomes more harmful and development projects and plans falter in the country, and the state's general budget does not fulfill the goals that were designed or set for it.

Second: Administrative corruption at the individual level: It is the corruption of some employees at the middle and lower levels of the administrative pyramid (organizational structure), and despite the limitation of these corruption cases to small matters that take place between the public employee and the customer with the service in exchange for facilitating and completing his service as soon as possible and by twisted methods, Its impact is very severe - the impact on the public interest when it spreads as a common phenomenon in the various departments of the state, especially customs, the police and the relevant departments in concluding contracts and purchases (for example, procurement contracts for ration card items in the Ministry of Trade and contracts for arms and military equipment purchases Defense and Interior, and the like).

- **Forms of corruption:**

Corruption takes various forms such as theft and forgery, especially forgery of official documents and documents, embezzlement, favoritism, bribery, interference with the functioning of the judiciary, exploitation of public influence, failure to put the right person in the right place, intended neglect, poor performance, lack of responsibility, delay in work, early departure and evasionetc.

What is worth noting here is the consensus among researchers and specialists in the field of politics, economics, society and law that the phenomenon of corruption is a social and political phenomenon that exists in all developed and developing societies alike, but the size, forms, dimensions, and extent of corruption may vary from one society to another.

We find that political scientists focused on the relationship between corruption and corruption in governance, as their point of view says that good governance is an enemy of corruption of all kinds, and they also emphasize the relationship of corruption to the legitimacy of existing governance, models of political forces, and the role of civil society institutions in fighting corruption.

As for sociologists, they affirm that corruption is a “social relationship through which the rules of social behavior that relate to the public interest will be violated. The most important form of this social behavior is the behavior of deviation represented by resorting to socially and religiously illicit means and methods to reach goals as it harms society and causes it harm” (www.imf.org/external/pubs).

Law scholars define corruption as a deviation from compliance with local and international legal rules and regulations in place. Corruption is considered destructive to the provisions of the law in general and when it affects the judiciary in particular.

As for economists, they focus on the relationship between investment and economic development on the one hand and the quality of government institutions on the other hand. The poor performance of government institutions is one of the most important factors of corruption and this leads to low investment, which leads clearly and clearly to the weakness and slow pace of economic development, and this is an extension of thought A classic who emphasized that the state must not run the economy and be confined to justice, security, health and education [6].

The researchers see that there are multiple forms and forms of corruption that differ according to the nature of the vision, whether it is political, legal, social, or economic. Corruption is more than just an economic issue. Rather, classifying corruption as an economic issue is a diminution of its true impact on society as a whole. Corruption leads to the eradication of the prestige of the law, and it also leads to a severe breakdown of the social and cultural environment of society.

IV. Manifestations, causes and methods of combating administrative and financial corruption.

- **Manifestations of Corruption:**

Corruption is classified by appearance into:[7]

- ✓ Moral corruption.
- ✓ Political corruption.
- ✓ Administrative corruption.
- ✓ Financial corruption.

The focus here will be on administrative and financial corruption as the focus of the current research.

First: Administrative corruption: - It includes those violations that are issued by the employee during the performance of his job duties, which are mainly related to work and good regularity. As for his manifestations, it can be observed in the following: -

- ✓ Failure to respect work times and times in attendance and leaving, or spending time reading newspapers, receiving visitors, moving from one office to another, and refraining from doing work, laxity, or laziness, etc.
- ✓ Failure to take responsibility for it.

- ✓ Disclosure of job secrets and departure from teamwork.
- ✓ Patronage and favoritism in administrative work, as well as sectarian quotas.

The truth is that the manifestations of administrative corruption are multiple and interrelated, and we often find that the spread of one of them is a catalyst for the spread of some other manifestations. .

Second: Financial Corruption: - It includes financial deviations and violations of the issued financial rules and provisions that regulate the financial workflow in the state and its institutions of all kinds. The manifestations of financial corruption are shown to us in: -

- ✓ Violating the instructions of the financial control agencies.
- ✓ Bribes.
- ✓ Embezzlement
- ✓ Tax evasion.
- ✓ Recycling foreign benefits for the private benefit.
- ✓ Courtesy loans granted without certain guarantees.
- ✓ Commissions and royalties arising from contracts.
- ✓ Excessive use of the money of the institution or body.

- **Causes of corruption:**

By looking into the manifestations of administrative and financial corruption, we find that these manifestations are actually the outcome or result of a number of reasons, the most important of which are:[8]

- ✓ The absence of a state of institutions and a weak authority.
- ✓ The lack of social justice that achieves equality between members of society and thus creating class differences between members of one society.
- ✓ Corruption of the judiciary and its lack of independence, because the judiciary is the primary responsible for implementing laws that fight corruption. If the judiciary is corrupt, there will be no justice in fighting corruption, and this is one of the most dangerous types of corruption.
- ✓ Lack of real control and transparency at all administrative levels.
- ✓ The spread of illiteracy, lack of awareness, lack of accountability culture in society, and lack of knowledge of laws and administrative systems.
- ✓ The absence of religious and moral imperative.
- ✓ The absence of equal opportunities among workers through the prevalence of the worst at the expense of the best, and then marginalization of competencies, and the arrival of most departments to the deterioration of performance and the emergence of bureaucracy, which is based on the inability of the employee, especially the one at the top of the career pyramid to take decisions as a result of his inefficiency, and leads the competent to Frustration, despair and killing their patriotic spirit.

- ✓ Low wages in the public sector compared to the wages of the private sector or low per capita GDP.

It should be noted that most of the reasons mentioned, if not all of them above, apply to the current Iraqi reality (during the duration of the research) and therefore corruption in Iraq is a result, not a cause, as will be seen in the research later.

- **The effects of administrative and financial corruption:**

The effects of administrative and financial corruption are as follows:

- ✓ Eliminating the prestige of law and the state.
- ✓ Wasting public money and misplacing it.
- ✓ A severe breakdown in the economic, social and cultural environment of society.
- ✓ The collapse of the moral fabric of society, and the increase of differences between classes of society.
- ✓ The increase and growth of the phenomenon of poverty and unemployment, where corruption is the biggest cause of poverty, and therefore corruption and poverty feed one another in a tight and difficult loop.
- ✓ It threatens economic development and leads to the flight of investments and the lack of incentives to attract them.
- ✓ The cost of corruption can be measured from its concentration of wealth in the hands of a few who are better able to exploit activities that are not transparent, as opposed to transparency in the market, it lays the foundations for equal distribution of wealth and establishes a system that makes collective initiatives replace individual influence.
- ✓ Spreading the spirit of despair (killing the spirit of creativity) among the community members, as sociologists assert that the weaker the hope, the lower the initiative and when the initiative decreases, the effort decreases, and when the effort decreases, the achievement decreases and without the achievement, the people pass the frustration generation after generation [9].
- ✓ The institutional instability of the state.

- **Anti-corruption methods**

For the purpose of reducing and combating administrative and financial corruption, some measures must be taken, as follows: [10].

- ✓ Participation in taking responsibility: It is the commitment to transparency and effective enforcement of laws and regulations that create the opportunities and challenges facing many countries by creating an appropriate climate of integrity and accountability, and promoting economic openness and opportunities for growth, strengthening personal freedoms, and respect for the rule of law.
- ✓ Popular will and political commitment: When the popular will is strengthened, it formulates and controls political will, society enjoys freedom and prosperity, and citizens participate in

a comprehensive manner in government, with independent media outlets that lead to strong audits and critical balances to make the government accountability process practical. An institution with a solid strength. But if the political will is not above the level of suspicion, corruption extinguishes the light of democracy, eliminates individual entrepreneurship and undertakes unethical projects, prevents the capital from being brought in, and frustrates the basic foundations for achieving a level of self-sufficiency necessary for long-term growth.

✓ Prevention, transparency and law enforcement: In the context of these geographical and political changes, there is another factor that can contribute positively to the success of anti-corruption, which is the multilateral diplomatic work at various levels to lay down general principles of anti-corruption, namely.

✓ Establish an internationally accepted definition of corruption identification.

✓ Encourage self-evaluation by the government regarding internal corruption within its borders [11].

✓ Recognition that corruption is a real obstacle to economic development and that it has serious domestic and international repercussions.

✓ Increase international cooperation.

✓ The role played by business associations and civil society organizations: Business associations and civil society organizations play a significant role in the field of fighting corruption, and institutions can become a source for providing information if they prepare lists of legal barriers and double regulations, then this information is transmitted to the government, media and companies, and through their endeavor to gain support, these institutions can find a system of accountability and continue to press for market reforms that eliminate corruption [12].

✓ Activating the role of financial control in combating corruption and the role of internal auditing and setting real procedures in preventing the leakage of public money and reducing administrative corruption and urging the Integrity Commission to uncover corruption cases before the courts and not cover up the results of its work [13].

✓ Disclosure of economic and financial information: The lack of economic and financial information is a stumbling block to eradicating the roots of corruption and therefore more attention must be required to provide examples and statistics that highlight the high cost to companies due to corruption.

By disseminating economic and financial information and its impact on anti-corruption, it is possible for private sector companies and individuals committed to improving the work environment to develop a positive system to strengthen and support companies.

V. The reality of corruption and its impact on the financial performance in Iraq

• Reality of corruption in Iraq

After reviewing the theoretical introduction on the concept of corruption, its levels, images, manifestations and effects, the researchers try to focus and shed light on the phenomenon of administrative and financial corruption in Iraq. We must be certain first that Iraq suffers from administrative and financial corruption in a very large way, and even ranked among the most corrupt countries in the world, and this is confirmed by many studies that were included in a classification in the report of Transparency International published in 2019 to the countries of the world on the basis of a scale consisting of 100 Point, where zero constitutes the highest level of corruption and the closer the country reaches No. 100, it is considered less corruption. Denmark was the least corrupt country in the world and got (87) degrees, while Somalia was the most corrupt country in the world and it got (9) degrees, and Iraq got (20) degrees, and thus it is in the sequence (162) globally out of (180) Country included in the report. Note that this report is in the last quarter of 2019 [14].

And two do not differ on the growing phenomenon of administrative and financial corruption in Iraq and its escalation in a frightening manner, it must be said that it has existed since the founding of the modern Iraqi state, but its size and shape varies from period to time depending on the ruling political system. Until it was rooted in society and the individual became indifferent when he publicly declared that he had obtained from the public money an amount illegally, or that he helped one of his relatives obtain a certain privilege at the expense of others and similar manifestations of corruption [15].

By focusing on the period from 2003 to 2018, the most important reasons that helped to exacerbate the phenomenon of administrative and financial corruption in Iraq can be listed as follows:

- ✓ Appointing American consultants as representatives of different sectors of (technocrats) and they run ministries and official institutions, and most if not all of them are unemployed in Europe and America and lack the simplest standard of expertise and competence that is one of the most important elements of good governance, and these people have used their positions to do business commercial brokerage, such as brokerage, between state institutions and foreign companies, which wasted a large part of the Iraqi public money allocated for reconstruction and construction.
- ✓ The civil side of the occupation forces carried out the tasks of supervising the reform, especially on the state's departments, universities, banks, and transportation, which created a state of corruption that was represented through the construction requirements procurement committees, especially that side dealing with the private sector.
- ✓ The absence of effective taxation authority that is commensurate with the Iraqi economic activity and the weak control capacity of the accounting system, as a result of this the expansion of corruption through the widening state of tax evasion.
- ✓ Public office jobs and higher job centers with unqualified and incompetent people, which led to the weakness of the administrative apparatus, which contributed to the spread of corruption in its various forms.
- ✓ The commitment of the political parties and blocs in the state to many spoilers, which makes them immune to accountability, especially in light of the weakness of the state and the presence of many centers of power within it.

✓ Assigning and supervising agencies to uncover manifestations of corruption and spoilers that lack professionalism and objectivity and are subject to certain political affiliations, such as the Integrity Commission and the marginalization of the role of specialized professional bodies, such as the Federal Board of Supreme Audit.

✓ The lack of real deterrent measures against spoilers, as what has been done so far on the ground are shy trials of some high-ranking officials, which ended in their flight out of the country.

These and other reasons helped to exacerbate the phenomenon of administrative and financial corruption in Iraq and the question that arises here is what are the reflections of this corruption on the financial performance of the state?

• **The repercussions of administrative and financial corruption on the financial performance in Iraq**

It has been indicated in the current research problem that the volume of allocations in the general budget for recent years was unprecedented until the volume of allocations in the budget for the year 2017 reached more than the equivalent of 100 billion USD, as well as the same number for the 2018 budget allocations, or more than that, especially after The intention of the government to add a supplementary budget. Thus, the size of the budget has been increasing year after year since the 2004 budget was about the equivalent of \$ 10 billion, but this volume of money was not touched by the citizen at all, not in the field of services or in other areas such as absorption of unemployment and improvement of the agricultural or industrial sector and others, services are still deteriorating, and the Iraqi farmer is still not cultivated because he cannot compete with the products of the neighboring countries, and all Iraqi industrial establishments are still waiting for anyone to give them a push forward or to liquidate them.

We may not be right if we say that administrative and financial corruption is the only one responsible for the ineffectiveness of the figures in the budget, in addition to that there are other reasons such as the security side and the depletion of a lot of state resources for this purpose and other reasons, but administrative and financial corruption remains its important implications for performance, perhaps the most important :

✓ Allocating sums for investment purposes and to all provinces, whether they are within the usual investment platform or within the regions development program, according to the number of residents or the degree of deprivation, and that there are small provinces of a large size of the population and it is expected and in light of the amounts allocated to them that a qualitative shift will occur in terms of structures Infrastructure in the province, but all this did not happen. Therefore, it can be said that administrative and financial corruption has undermined investment plans in all provinces except for the Kurdistan Region, which enjoys remarkable stability and therefore is less corrupt compared to other provinces of Iraq. Table (1) below shows the allocations obtained by the governorates and the Kurdistan Region for the year 2017 for investment purposes.

✓ Fear of corruption led the authorities supervising the implementation of the budget, such as the Ministry of Finance, to complicate the contracting procedures and not to disburse the amounts, and accordingly, the completion rates for the budget were modest, and most ministries in the

state were unable to disburse the amounts allocated to them, as is evident from table (2) below, relating to its data in year 2017.

Table (1) Total investment budget allocations for governorates and regions for the year 2017 (Million USD)

Provinces	Allocations within the investment platform	Allocations within the development of regions	Total
Baghdad	1139.3	587.5	1780.8
Basra	137.2	205	342.2
Ninawa	178.8	237.5	416.3
Babylon	104.6	117.5	222.1
Wasit	187.4	87.5	274.9
Dhi-Qar	61.5	145	206.5
Dyala	53.4	115	168.4
Kirkuk	51.6	95	146.6
Diwania	39.1	67.5	106.6
Almuthana	39.1	55	94.1
Salahuddin	182.8	97.5	280.3
Najaf	47.9	92.5	140.4
Karbala	65.5	75	140.5
Maysan	78	80	158
Anbar	64.6	112.5	177.1
Kurdistan	1333.3	330	1663.3
Total	3764.1	2500	6264.1

Reference: Data of Iraqi financial ministry.

Table (2) Regions development allocations, the amounts deposited in provincial accounts, and the actual expense from their allocations until 9/30/2017 (million USD)

Province	Region development allocations (1)	Amounts deposited in accounts (2)	Actual disbursement (3)	Implementation percentage (%) (3/1)
Baghdad	705000	282000	194268.1	27.6
Ninawa	285000	114000	20818.6	7.3
Kirkuk	114000	45600	21305.3	18.7
Dyala	138000	55200	20800	15.0
Anbar	135000	54000	1317.7	1.0
Babylon	160000	89600	51208.3	32.0
Karbala	90000	36000	15536.4	17.3
Wasit	105000	42000	26943.8	25.7
Salahuddin	117000	46800	21071.6	18.0
Najaf	111000	44400	29526.6	26.6
Diwania	81000	32400	22000	27.2
Almuthana	66000	26400	5378	8.1
Dhi-Qar	174000	69600	29459.1	16.9
Maysan	96000	38400	32198.6	33.5
Basra	246000	98400	17604	7.2
Total	2623000	1074800	488636	18.6

Reference: Data of Iraqi financial ministry.

At the same point, there was no improvement worth mentioning at the level of budget execution ratios between 2017 and 2018, because the complex measures imposed by the Ministry of Finance made other ministries unable to spend what was allocated to them within the specified period and this is all a reflection of administrative and financial corruption, and table (3) below is a comparison of implementation ratios between 2017 and 2018 at the level of ministries and some departments not associated with a ministry.

Table (3) A comparison of the implementation rates of the investment budget allocations between 2017 and 2018

Ministry or Department.	Implementation percentage 2017 (%)	Implementation percentage 2018 (%)
Ministry of oil	28.2	34.1
Ministry of Electricity	23.0	52.7
Ministry of Construction and Housing,	17.1	29.1
Ministry of Water Resources	28.5	49.4
Ministry of Transportation	2.8	16.0
ministry of communications	0.8	38.7
Ministry Of Agriculture	2.2	15.5
Ministry of Defense	18.4	8.0
Ministry of Science and Technology	7.9	7.6
Ministry of Municipalities and Public Works	14.4	50.1
Ministry of Labour and Social Affairs	39.8	33.5
Ministry of Higher education and scientific research	25.5	13.5
Ministry of Justice	3.6	5.8
ministry of Human Rights	5.2	1.9
Ministry of Youth and Sports	52.4	46.0
Ministry of Culture	3.6	2.1
Ministry of Education	43.9	3.6
Ministry of Commerce	20.8	22.5
Ministry of Environment	4.9	29.9

Ministry of Planning	26.4	28.4
Ministry of Foreign Affairs	2.6	27.2
Ministry of Industry	11.1	73.7
Ministry of Interior	2.1	3.8
Ministry of Finance	17.6	27.1
Ministry of Health	32.1	3.1
Judicial Council	14.1	16.1
Federal Board of Supreme Audit	0.3	10.0
Total percentage	16.64	24.05

Reference: Data of Iraqi financial ministry.

✓ The budget did not achieve some of the goals for which it was set, and this is mainly the result of administrative and financial corruption as well as other reasons, and among these goals were not achieved:

- Unemployment in Iraq remains at totally unacceptable levels, as its rate has increased from 30% at the end of 2014 to 50% at the beginning of 2018 [16].
- Not limiting the high inflation rates in the Iraqi economy despite the central bank pumping large amounts of hard currency for the stability of the Iraqi dinar exchange rate. The central bank succeeded in that, but the budget goal was not achieved by curbing inflation and making it acceptable rates in line with the rates globally.
- The Iraqi economy, especially the agricultural sector, has receded despite the allocation of funds in the budget to revive this sector, but to no avail, and that the implementation rate in the Ministry of Agriculture of the approved allocations for investment in this sector for the year 2018 to 9/30 was 22.5%, and this is a very low rate. Also, the industrial sector did not have an improvement, as most of the industrial establishments, if not all of them, are still in the stage of running affairs and awaiting privatization or liquidation.
- Most ministries are unable to achieve their goals, such as the Ministry of Oil, as it has not been able to increase oil exports significantly, as well as the Ministry of Trade, as the ration card items are still of poor quality and do not reach the citizen as required, which prompted the Ministry to pay monetary compensation in many times, and this is an indication of The Ministry has not succeeded in implementing its budget (the reason may be due to the restrictions the Ministry of Finance has put in place for contractors to reduce corruption).

▪ Also, one of the reasons that we believe is the reason for the low levels of achievement and not for administrative corruption is the delay in the issuance and approval of the budget.

From the foregoing, we find that there are many and many repercussions of administrative and financial corruption on the financial performance of the state, with the presence of this corruption the money will go to a purpose other than its intended and implementation will be carried out by incompetent people and thus the budget will not be a successful way for planning, monitoring and evaluating performance and then loses its effectiveness and the purpose for which it was developed.

On the one hand, and on the other hand, setting up complex control procedures to reduce the phenomenon of administrative and financial corruption that has a negative impact on performance, as most ministries have not been able to disburse the funds allocated because contracting procedures and business implementation require administrative procedures and approvals for higher bodies, and therefore a routine work that makes the ministry unable to implement What I planned during the budget period [17].

VI. CONCLUSIONS & RECOMMENDATIONS

CONCLUSIONS

From what was mentioned in the research, we can reach the following conclusions:

1. The phenomenon of administrative and financial corruption is a social and political phenomenon that exists in all developed and developing societies alike, but the rate of that corruption and its negative effects vary from time to time and from one country to another.
2. Administrative and financial corruption in Iraq is a phenomenon that has existed in society since the founding of the modern Iraqi state, but its size and shape differ from one period to another and are inversely proportional to the strength of the political system in the state and its control over the country's affairs.
3. The lack of real administrative mechanisms to reduce the phenomenon of administrative and financial corruption in Iraq and to assign bodies that lack professionalism and specialization, which has led to the stabilization of the phenomenon of corruption in the country.
4. The current anti-corruption measures are mostly representative of subsequent control and accountability of the administrative or disbursement procedure, and therefore the waste of money takes place even if the minors are held accountable at a later time.
5. The presence of parties outside the reach of the law and the interference of political parties in the work of state institutions, which makes the process of fighting corruption a difficult and complex process and cannot be traced.
6. Insufficient clarity of powers and responsibilities in the administrative structure of the Iraqi state and consequently lack of control over cases of administrative and financial corruption.
7. Corruption is more than just an economic issue, and classifying it as an economic issue only reduces its real and real impact on society. Corruption undermines the prestige of the law, and it also leads to a severe breakdown of the social and cultural environment of society.

RECOMMENDATIONS

In light of what was stated in the previous conclusions, the researchers can recommend the following:

1. The abolition of all non-specialized agencies and entrusting the state's supervisory work with the Federal Board of Supreme Audit and providing it with specialized physical and human energies and powers, being a specialized and administrative structure commensurate with the nature of its accounting oversight work and has branches throughout Iraq that enable it to perform its work in a way that helps to reduce the phenomenon of corruption.
2. Enact or legislate a law to deal with administrative and financial corruption and not rely on old laws that require routine procedures that would make spoilers immune to the reach of the law, and this new law would make accountability quick and linked to the rate of implementation assigned to each employee.
3. Setting strict instructions for transparency in most of the state's work joints, with the aim of creating societal oversight prior to administrative action or spending.
4. Not assigning people who have previously failed to obtain acceptable implementation rates for the budget, and to make periodic transfers between employees (whenever possible), especially in works that may be a field or fertile ground for cases of administrative and financial corruption.
5. Introducing corruption as a socially unacceptable phenomenon in the school curricula in an attempt to change the value system of society and supporting this with a media and religious campaign to fight corruption, adopted by educational and cultural institutions in the state as well as clerics and civil society organizations.
6. Asking all employees in the administrative structure of the Iraqi state to submit a statement of his property before taking office, and this would facilitate the process of accountability for the reasons for the super-rich that may befall some employees shortly after taking up a particular job.
7. Working for the independence and impartiality of state institutions and their distance from the influence of political parties.

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