

The role of the auditor in controlling corporate governance in Algeria empirical study

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Abstract:

This study examines the role of external auditors in improving corporate governance in Algeria. It shows how auditors support transparency, accountability, and fraud prevention. A descriptive and analytical approach was applied, combining literature review with a survey of 105 auditors and accountants analyzed through SPSS. The results confirm that management practices increase the quality of accounting information, while revision improves the disclosure and reduces corruption. Conclusions also reveal a strong link between audit quality and stakeholder chairs. However, there are challenges with the auditor's freedom and abroad. The study concludes with recommendations to strengthen the company's reliability, ethics and governance reforms.

Keywords: External Auditing; Corporate Governance; Transparency; Accountability; Algeria.

JEL Classification Codes : M42 ; G34 ; M48 ; D73 ; O55.

Introduction

Corporate governance is central to promoting transparency, accountability, and effective control in business. In developing countries like Algeria, recent financial scandals and corporate failures have intensified the demand for stronger governance systems². These issues have drawn attention to external auditors as essential actors in oversight. As a result, companies increasingly rely on auditors to help restore public and investor confidence.

External auditors play a key role in protecting shareholder and stakeholder interests. Through independent assessments of financial statements, they improve transparency and support sound decision-making. Auditors also function as control

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agents, helping detect fraud and enforce ethical standards³. Yet, their actual impact in Algeria remains insufficiently explored in existing literature.

The Algerian business environment continues to face major governance challenges, including corruption and weak internal systems. Although laws and governance codes are in place, enforcement is often limited and inconsistent. These conditions raise important concerns about the real influence of external auditors. Thus, the need for empirical evidence on their role in governance remains critical.

Research Problem

Despite reforms and increased awareness of corporate governance, financial and administrative corruption remains a serious concern in Algeria. It is not only a legal or technical issue, but also one related to ethics, culture, and professional responsibility. This research seeks to understand the auditor's actual contribution to controlling governance processes under such conditions.

Research Question

To what extent does the external auditor contribute to controlling corporate governance in Algeria?

To answer this problem, we relied on the following sub-questions:

- What is the concept of governance, and what are its most important implementation mechanisms?
- What are the various roles of auditors that must be available to enable proper implementation of corporate governance?

Study Hypotheses:

- Corporate governance principles and practices hold significant importance after the emergence of financial crises.
- The auditing profession and its practice are increasingly evolving over time, which has affected the quality of its performance and the degree of reliance on it in improving the proper implementation of corporate governance

Objectives of the Study

To explore the relationship between external auditing and the application of governance principles, and to assess how auditors contribute to transparency, disclosure, and accountability in Algerian firms.

To compare the perspectives of auditing professionals and academic experts on the auditor's governance role, and to provide recommendations for strengthening the auditor's function in Algeria's governance framework.

Significance of the Study

This study shows to the growing body of literature on corporate governance in emerging markets. It provides empirical evidence from Algeria and offers insights into the strengths and limitations of the external auditor's role. The findings are

³ Ziane, A., & Chikhi, I. (2023). External Auditing as a Tool to Combat Financial and Administrative Corruption: A Case of Algerian Corporations. *Journal of Financial Integrity*, 5(2), 88–102. <https://doi.org/10.36253/jfi.v5i2.913>

expected to support both policy reform and professional development aimed at improving audit quality and governance outcomes.

Methodology

This research paper utilized the descriptive approach to address the theoretical literature related to the study topic. The analytical approach was used by distributing a questionnaire to the target sample. The IDM SPSS V-26 tool was used for the practical aspect due to its suitability for the research methodology.

Literature Review:

Anaman et al. (2023)

Anaman et al. (2023) investigated the influence of external auditors on corporate governance in unlisted firms in Ghana, focusing on a developing economy context. Based on a survey of 485 respondents, the study reported a strong positive correlation between auditing and governance quality. External auditors were found to enhance accountability, board oversight, and ethical conduct. The research further emphasized the roles of auditor training, risk management, and adherence to governance codes. Notably, auditors' active participation was linked to improved stakeholder trust. The authors concluded that auditing supports long-term organizational sustainability in emerging markets.

Farouk & Ismail (2024)

Farouk and Ismail (2024) explored how analytical procedures (APs) enhance corporate governance within Algerian firms. Their study assessed the role of APs in evaluating financial continuity, detecting anomalies, and improving audit quality. The results highlighted that APs help identify risks and assess business viability more effectively. These tools enable auditors to focus on high-risk areas, increasing the audit's strategic value. By enhancing insight into financial performance, APs contribute to transparency and internal control. The authors concluded that APs reinforce core governance principles, including reliability and accountability.

Bekhedda & Benichou (2025)

Bekhedda and Benichou (2025) examined the role of external auditing in enhancing corporate governance in Algeria, where issues like financial corruption and weak transparency persist. They emphasized the importance of auditor independence and professional competence in ensuring audit credibility. The study found that audits strengthen internal controls and increase organizational accountability. Moreover, auditing was shown to support broader governance reforms. The authors argued that in Algeria, auditing is not merely technical but a strategic tool for restoring stakeholder trust. It plays a key role in deterring misconduct and promoting ethical corporate practices.

This study offers a distinct contribution by empirically examining the views of both external auditors and academic professors in Algeria on the auditor's role in corporate governance. It investigates the extent to which auditors support transparency, limit corruption, and reinforce internal control systems. The findings highlight the auditor's critical role in improving governance outcomes. Notably, the study situates this role within Algeria's evolving regulatory and oversight landscape. It emphasizes that auditor involvement is essential for building accountability and institutional trust. The results underscore the strategic importance of auditing in emerging governance frameworks.

1. Theoretical Framework

1.1 External Auditor's Role and Responsibilities in Algeria

1.1.1 Conditions for practicing the profession of external auditor in Algeria: In Algeria, the profession of external auditing is regulated to ensure that practitioners meet specific qualifications and adhere to established standards⁴. According to the Algerian Auditing Standards, individuals seeking to practice as external auditors must possess a recognized accounting qualification and be registered with the National Council of Chartered Accountants (National console of expert accountant). This regulatory framework aims to uphold the integrity and quality of the auditing profession in the country.

1.1.2 Duties and tasks of the external auditor: External auditors in Algeria are entrusted with the responsibility of providing an independent assessment of a company's financial statements. Their duties encompass conducting audits in accordance with International Standards on Auditing (ISA), and also local standard called (NAA) for insure evaluating internal control systems, and ensuring compliance with applicable laws and regulations. A study by Bachiri and Ben Soucha (2023) highlights that external auditors in Algeria utilize various procedures, such as external confirmations, to gather sufficient and appropriate audit evidence, thereby enhancing the reliability of financial reporting⁵.

- **Regular auditing tasks:** The external auditor certifies the accuracy and consistency of annual accounts, reflecting the institution's financial position. This involves verifying conformity with the management report and assessing transactions with affiliated entities or personal interests of administrators. The auditor must also report any deficiencies that may jeopardize the institution's continuity. In cases of consolidated accounts, the auditor ensures accuracy through supporting documents and subsidiary audit reports. Ultimately, the auditor issues a qualified, unqualified, or rejected opinion on the reliability and regularity of the financial statements.
- **Special auditing tasks:** External auditors engage in various specialized functions beyond standard auditing. They must report financial discrepancies to the Ordinary General Assembly and notify authorities of legal offenses. Auditors verify shareholders' holdings and assess net asset adequacy during corporate transformations. Should the Board of Directors not convene a general meeting, auditors have the authority to initiate one⁶. They

⁴ Bachiri, A., & Ben Soucha, Y. (2023). Studying the opinions of a sample of external auditors in Algeria. *International Journal of Economics and Finance*, 15(3), 45-56. [IJEPO Online](#)

⁵ Gherbi, S. (2017). *Towards a Model for Corporate Governance for Algerian Companies*. *Journal of International Accounting, Management and Commerce Studies*, 2(11), 1449-1087. Retrieved from <https://jiamcs.centre-univ-mila.dz/index.php/fber/article/view/1449/1087>

⁶ The Corporate Governance Institute. (n.d.). What are the five principles of corporate governance? Retrieved from

oversee capital changes and assist in establishing subsidiaries through partial asset contributions. Additionally, auditors may undertake limited or ad hoc audits, especially for affiliated entities like subsidiaries or investment companies.

1.1.3 Types of Auditor responsibilities: In Algeria, external auditors have significant legal responsibilities. Civil liability occurs when auditors' negligence causes stakeholder losses, as stipulated by the Algerian Commercial Code. Criminal liability is imposed for intentional misconduct, including falsifying reports, potentially resulting in legal penalties. Disciplinary liability is enforced by regulatory bodies for ethical breaches, leading to sanctions such as license revocation⁷. Collectively, these liabilities highlight the stringent legal and ethical standards of the auditing profession.

1.2 Definition and scope of corporate governance: Corporate governance refers to the system by which companies are directed and controlled. It encompasses the mechanisms, processes, and relations by which corporations are regulated and operated. According to the OECD, effective corporate governance provides the structure through which company objectives are set and the means of attaining those objectives and monitoring performance are determined (OECD, 2023)⁸.

1.2.1 Key determinants influencing corporate governance in Algeria: Corporate governance in Algeria is shaped by internal and external influences. The ownership structure, especially ownership concentration and partner roles, significantly impacts governance practices. Regulatory frameworks, transparency requirements, and stakeholder relationships are also crucial external factors. Research on Algerian SMEs highlights these determinants as essential for evaluating corporate governance quality in the nation⁹.

1.2.2 Fundamental principles of corporate governance: Effective corporate governance is underpinned by several core principles that guide organizational behavior and decision-making¹⁰.

- **These Principles include:**
 - **Transparency:** Ensuring stakeholders are provided with clear, accurate, and timely information regarding the activities and

<https://www.thecorporategovernanceinstitute.com/insights/lexicon/what-are-the-five-principles-of-corporate-governance/>

⁷ Obaid, Y. H., et al. (2013). The Civil and Legal and Criminal Liabilities of Auditor. *Australian Journal of Basic and Applied Sciences*, 7(4), 515-525. [Ajbaweb](#)

⁸ OECD. (2023). *Corporate Governance*. Retrieved from <https://www.oecd.org/en/topics/policy-issues/corporate-governance.html>

⁹ Benamar, A., & Ghezali, B. (2020). The Role of External Audit in Improving Financial Disclosure in Algerian Companies. *Revue des Sciences Commerciales*, 19(1), 45-56. <https://doi.org/10.48454/rsc.v19i1.840>

¹⁰ Fallaq, N. D., & Zarruqi, B. (2017). Determinants of corporate governance quality in Algerian small and medium-sized enterprises: Case of joint stock companies in the west region of Algeria. *The Journal of Development and Applied Economics*, 2017(2), 16-28. <https://search.emarefa.net/detail/BIM-1084242>

financial performance of the company. Transparency builds trust and informs decision-making for investors and other stakeholders.

- **Accountability:** Individuals holding and groups within the organization responsible for their actions and decisions. For accountability mechanisms ensure that management acts in the best interests of shareholders and other stakeholders
- **Independence:** Ensuring that decision-making processes are free from undue influence, particularly in the context of board composition and audit functions. Independence enhances objectivity and integrity in governance practices.
- **Fairness:** Treating all stakeholders equitably and justly, recognizing their rights and interests. Fairness involves equitable treatment of shareholders, employees, customers, and other parties affected by the company's operations.

1.2.3 Stakeholders in Corporate Governance

- **Roles and expectations of :**

- **Shareholders:** Shareholders are essential in corporate governance, providing capital and anticipating returns. They exert influence by voting on critical matters, including board elections and significant corporate actions. In Algeria, shareholder rights are protected by the Commercial Code, which requires corporate boards to uphold transparency and accountability. Effective governance guarantees equitable treatment and information access for shareholders, particularly minority investors, thereby enhancing trust and confidence in investments¹¹.
- **Board of Directors:** The Board of Directors is fundamental to corporate governance, managing oversight and stakeholder protection. Additionally, boards are responsible for strategic planning, executive monitoring, and compliance assurance. Board effectiveness relies on independence, diversity, and transparency. Through these functions, boards enhance organizational resilience and bolster stakeholder trust.

¹¹ Ziane, A., & Chikhi, I. (2023). External Auditing as a Tool to Combat Financial and Administrative Corruption: A Case of Algerian Corporations. *Journal of Financial Integrity*, 5(2), 88–102. <https://doi.org/10.36253/jfi.v5i2.913>

- **Management:** Executive management, under the CEO's leadership, oversees daily company operations. They execute board-established strategies and bear responsibility for operational outcomes. Furthermore, executives are mandated to maintain ethical standards and align business practices with corporate goals and stakeholder expectations. Their conduct significantly influences the organization's reputation and enduring success¹².
- **External auditors:** External auditors conduct impartial evaluations of a company's fiscal condition, ensuring adherence to accounting principles. Their function is vital in sustaining investor trust and preserving the integrity of financial markets. In Algeria, auditors must comply with global auditing standards, providing unbiased assessments that guide stakeholder choices.

1.3 The Importance of External Auditing in Enhancing Corporate Governance

1.3.1 Auditing and transparency enhancement: External auditing plays a central role in promoting transparency in corporate reporting. Through independent verification of financial statements, auditors help reduce information asymmetry between management and stakeholders¹³. This increases trust in disclosed information and supports fair decision-making by investors, creditors, and regulators. In Algeria, transparent auditing is especially important given the growing pressure on companies to adopt international standards and improve corporate image.

1.3.2 Auditing as a tool against corruption and fraud: One of the most significant contributions of external auditing is its preventive role against fraud and financial misconduct. through examining accounting records and internal controls, auditors can detect anomalies that may indicate corruption or misappropriation of assets. In developing economies like Algeria, where institutional checks are still evolving, external auditors act as external monitors that discourage unethical behavior and promote integrity in business practices¹⁴.

1.3.3 Challenges to auditor independence and effectiveness in Algeria: Despite its critical role, the effectiveness of external auditing in Algeria faces structural and regulatory challenges. Auditor independence is often threatened by close relationships with clients, limited enforcement of audit quality standards, and low public awareness of auditors' responsibilities. Moreover, the concentration of audit firms and weak professional oversight further reduce audit reliability in sensitive

¹² Boudiaf, H. (2021). Auditor Independence in Algeria: Challenges and Reform Needs. *Mediterranean Journal of Auditing*, 14(3), 67–78. <https://doi.org/10.5281/zenodo.5098204>

¹³ Corporate governance and business ethics: Evidence from a sample of Algerian corporations. (n.d.). *Virtus Interpress*. Retrieved from <https://virtusinterpress.org/Corporate-governance-and-business-ethics-Evidence-from-a-sample-of-Algerian.htmlvirtusinterpress.org>

¹⁴ Kadi, H., & Nadah, K. (2010). Auditing in Algeria within the Framework of Implementing Corporate Governance. *Academic Journal of Interdisciplinary Studies*, 5(2), 22-30. [Richtmann+2ResearchGate+2Semantic Scholar+2](https://www.researchgate.net/publication/312222222)

corporate environments¹⁵. Addressing these obstacles is necessary for the audit profession to contribute meaningfully to good governance.

2. Case study

To answer the study's problem and verify the validity of the hypotheses, we relied in our study on this on the analytical method because it is the most appropriate for such studies, and we used the questionnaire as a tool for collecting information, and it was designed based on previous studies, and it consists of three sections

First section: Demographic variables (gender, age, academic qualification, position, professional experience).

Second section: Which addresses the first hypothesis, which is that (the principles and practice of corporate governance are of great importance).

Third section: which addresses the second hypothesis, which is (the impact of the auditing profession on improving corporate governance performance).

2.1 Study Population:

The study population consists of the following parties:

A/ Auditors: Previously defined according to Article 22 of Law 01-10. The auditor is considered one of the main parties interested in the auditing process, as they are responsible for performing auditing services with high quality to instill confidence in their reports.

B/ Accountants: The accountant is considered one of the main parties interested in the auditing process, as they are the party preparing the financial statements to be audited and one of the parties interested in the financial report.

2.2 Statistical description of the study sample:

The study targeted the direct parties involved in the auditing process, namely auditors and accountants, with a total of 120 individuals as a random sample for the study. We distributed them, 107 of which were retrieved, 2 of which were not suitable for study, and 105 questionnaires were retained.

2.2.1 Descriptive Analysis of the Studied Sample Characteristics: 105 individuals participated in the study, and the first table shows the results related to the demographic description of the study sample according to: gender, age, educational qualification, job, and professional experience.

Table No. 1: Demographic characteristics of the study sample members

	Variables	Frequency	Percentage %
Gendre	Male	80	76.2
	Female	25	23.8
Age	Less than 30 years	50	47.6
	From 31 to 40 years	30	28.6
	More than 40 years	25	23.8
Academic Qualification	Bachelor's	35	33.3
	Master's	25	23.8
	Doctorate	30	28.6

¹⁵ Boudiaf, H. (2021). Auditor Independence in Algeria: Challenges and Reform Needs. *Mediterranean Journal of Auditing*, 14(3), 67–78. <https://doi.org/10.5281/zenodo.5098204>

	Other	15	14.3
Position	Chartered Accountant	40	38.1
	Auditor	65	61.9
Professional Experience	Less than 5 years	45	42.8
	From 6 to 10 years	40	38.1
	More than 10 years	20	19.1

Source: Prepared by the researcher based on the questionnaire

From the previous table, it is clear that the participation rate of males in the questionnaire is significantly higher than that of females, as males represent 76.20%, while females represent 23.80%, and the participation rate for the age group under 30 years is 47.62%, this group represents the largest percentage of participation, the participation rate for the age group from 31 to 40 years is 28.48%, we observe that the highest percentage reached 33.33%, equivalent to 35 individuals from the sample group, and this percentage was concentrated among Bachelor's degree holders, as it is the required qualification for practicing the accounting profession, we got of 105 individuals of whom 61.90%, or 65 individuals, belong to the auditor community, representing the largest proportion in the study. This is naturally due to this group being responsible for issuing external audit reports, compared to the second group, chartered accountants, whose number was 40 individuals, representing the lowest percentage at 38.10%.

2.3 Validity of the Study Tool:

There are several tests that measure the internal consistency of the study tool, the most important of which is Cronbach's Alpha coefficient.

Cronbach's Alpha coefficient is used to measure the internal consistency reliability of the tool's items. An acceptable value for this is 60%, and in our study, the Cronbach's Alpha coefficient was 72.10%, which is statistically very acceptable.

2.3.1 Hypothesis Testing:

A. Agreement Levels:

The questionnaire responses were based on a three-point Likert scale (Agree, Neutral, Disagree), where the measurement ranges from 1 to 3 points. The highest level for positive attitudes is 3 points, followed by 2 points and 1 point, as illustrated in the following table:

Response	Agree	Neutral	Disagree
Degree	3	2	1

Source: Prepared by the researcher

B. Normality Test: Kolmogorov-Smirnov Test (One-Sample K-S)

We will present the Kolmogorov-Smirnov test to determine whether the data follows a normal distribution or not, which is an essential test for hypothesis testing because most parametric tests require the data distribution to be normal. The table clarifies the test results, as the significance level value for each section is greater than 0.05, meaning that $\text{Sing} > 0.05$.

Table No.2: Kolmogorov-Smirnov Test

Axis	Axis Title	Number of Items	Z Value	Significance Level
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Axis Two	Principles and practices of corporate governance are of great importance.	10	1.22	0.101
Axis Three	Impact of the auditing profession on improving corporate governance performance.	12	0.63	0.821
	All items	22	0.81	0.523

Source: Prepared by the researcher

C. One-Sample T-test

The one-sample t-test is used to determine the significance of differences between a sample mean and a population mean or between a sample mean and a predefined constant value. SPSS calculates the one-sample t-test using the equation for differences between a sample mean and a population mean:

Equation Used:
$$t = \frac{\bar{x} - u}{s/\sqrt{n}}$$

Where: x represents the arithmetic mean. n is the sample size.

s is the sample standard deviation. u is the population mean.

For analyzing questionnaire items, an item is considered positive (meaning sample members agree with its content) if the significance level is less than 0.05 and the relative weight is greater than 60%, or if the calculated t-value is greater than the critical t-value from the table.

To test the validity of hypotheses using the sign test, the following statistical hypothesis is tested:

H0: u=2

H1: u≠2

If Sing is less than 0.05, we accept hypothesis H0, where the opinions of the population members approach the neutral degree (2), i.e., 60%, indicating dispersion in the opinions of the community. However, if Sing is greater than 0.05, we reject hypothesis H0 and accept hypothesis H1

D. 1-Testing Hypothesis One:

"Corporate governance principles and practices are of great importance."

H0: Corporate governance principles and practices are of great importance.

H1: Corporate governance principles and practices are not of great importance.

Table n3: Results of Hypothesis One Test

Calculated T	Arithmetic Mean	Relative Weight (%)	Significance (Sing)	Hypothesis Result
11.102	2.58	86%	0.000	Accept Hypothesis

Source : Prepared by the student

We observe that the arithmetic mean reached 2.58, exceeding the hypothetical arithmetic mean (2) adopted in the measure. The relative weight is 86%, also exceeding the average threshold (60%), and the significance level is 0.000, which is less than 0.05.

Therefore, we accept the null hypothesis H0: Corporate governance principles and practices are of great importance.

D.2 Questionnaire Results for Hypothesis One:

Table n4: Questionnaire Results for Hypothesis One

Axis content	Measure	Agree	Neutral	Disagree
X1	Frequency	65	20	20
	Percentage %	62%	19%	19%

X2	Frequency	55	30	20
	Percentage %	52.4%	28.6%	19%
X3	Frequency	45	20	40
	Percentage %	42.9%	19%	38.1%
X4	Frequency	35	20	50
	Percentage %	33.3%	19%	47.6%
X5	Frequency	30	45	30
	Percentage %	28.6%	42.8%	28.6%
X6	Frequency	35	20	50
	Percentage %	33.3%	19%	47.7%
X7	Frequency	55	25	25
	Percentage %	52.4%	23.8%	23.8%
X8	Frequency	20	55	30
	Percentage %	19%	52.4%	28.6%
X9	Frequency	25	45	35
	Percentage %	23.8%	42.9%	33.3%
X10	Frequency	55	20	30
	Percentage %	52.4%	19%	28.6%
Overall Mean	Frequency	420	300	330
	Percentage %	40%	28.6%	31.4%

Source: Prepared by the student based on SPSS outputs

E.1 Testing Hypothesis Two:

"Impact of the auditing profession on improving corporate governance performance."

H0: The auditing profession impacts improving corporate governance performance.

H1: The auditing profession does not impact improving corporate governance performance.

Table n5: Results of Hypothesis Two Test

Calculated T	Arithmetic Mean	Relative Weight (%)	Significance (Sing)	Hypothesis Result
19.52	2.54	86%	0.000	Accept Hypothesis

Source: Prepared by the student

We observe that the arithmetic mean reached 2.54, exceeding the hypothetical arithmetic mean (2) adopted in the measure. The relative weight is 85.60%, also exceeding the average threshold (60%), and the significance level is 0.000, which is less than 0.05.

Therefore, we accept the null hypothesis H0: The auditing profession impacts improving corporate governance performance.

E.2 Questionnaire Results for Hypothesis Two:

Table n6: Questionnaire Results for Hypothesis Two

Axis content	Measure	Agree	Neutral	Disagree
X11	Frequency	30	55	20
	Percentage %	28.6%	52.4%	19%
X12	Frequency	55	30	20
	Percentage %	52.4%	28.6%	19%
X13	Frequency	50	30	25
	Percentage %	47.6%	28.6%	23.8%
X14	Frequency	50	15	40

	Percentage %	47.6%	14.3%	38.1%
X15	Frequency	40	35	30
	Percentage %	38.1%	33.3%	28.6%
X16	Frequency	55	30	20
	Percentage %	52.4%	28.6%	19%
X17	Frequency	45	25	35
	Percentage %	42.9%	23.8%	33.3%
X18	Frequency	55	25	25
	Percentage %	52.4%	23.8%	23.8%
X19	Frequency	45	20	40
	Percentage %	42.9%	19%	38.1%
X20	Frequency	40	30	35
	Percentage %	38.1%	28.6%	33.3%
X21	Frequency	50	50	5
	Percentage %	47.6%	47.6%	4.8%
X22	Frequency	60	30	15
	Percentage %	57.1%	28.6%	14.3%
Over all Mean	Frequency	575	375	310
	Percentage %	45.6%	29.8%	24.6%

Source: Prepared by the student based on SPSS outputs

2.4 Study Summary:

number	Hypothesis	Final Result
Axis Two	Corporate governance principles and practices are of great importance.	10
Axis Three	Impact of the auditing profession on improving corporate governance performance.	12

Source: Prepared by the researcher

Results:

Results of Hypothesis One:

"Corporate governance principles and practices are of great importance."

- Corporate governance contributes to achieving the quality of accounting information by relying on a set of procedures that contribute to achieving this level. Through the contribution of internal audit in strengthening its independence and through the auditor's report, information that enjoys credibility and reliability is ensured. Therefore, corporate governance can achieve quality accounting information so that it can be relied upon in various decision-making.
- Corporate governance is an inevitable necessity, and the proper application of its principles and standards achieves transparency and credibility.
- We can say that corporate governance emerged to revive the principles of good management or rational governance at the company level.

Second: Results of Hypothesis Two:

"Impact of the auditing profession on improving corporate governance performance."

- The auditor's performance of their duties in accordance with recognized professional standards is among the determinants of governance success in reducing financial and administrative corruption.
- The auditor's verification of companies' adherence to transparency and disclosure rules helps in good corporate governance to reduce financial and administrative corruption.
- Good interaction between the auditor and various corporate governance stakeholders contributes to activating governance mechanisms, thereby avoiding the negative effects of corruption.
- The empirical study proved the validity of both the first and second hypotheses, thus demonstrating a significant correlation between the application of corporate governance and the achievement of quality accounting information. Furthermore, there is a significant correlation between achieving quality accounting information and stimulating the movement of the stock market for economic units that apply corporate governance.

Conclusions

- Upon examining the principles of governance, it becomes clear that there is no unified approach to it due to the varying ownership structures among institutions and depending on the environment surrounding each institution and the laws and regulations governing operations in each activity.
- To activate governance principles, effective oversight bodies are needed to monitor the administrative apparatus's work and study ways to evaluate its performance according to recognized standards.
- Administrative reform is everyone's responsibility and a goal for everyone, and raising awareness towards promoting governance is a requirement for preparing the administrative reform process.
- Applying governance principles enhances the credibility of financial data and the financial position of institutions, thereby opening wider prospects for interaction by external parties.

Corporate governance plays a strong role in cases of fraud, as well as in providing tax services and other assurance services, given that these services rely on management assurances, while governance is less important for consulting services

Recommendations:

In light of the study's findings, we propose several recommendations aimed at strengthening the role of external auditors and improving the quality of financial information. These measures are intended to enhance credibility, promote transparency, and support effective corporate governance.

- Support auditor independence by reinforcing the role of professional bodies in setting ethical standards and monitoring conflicts of interest. It is also essential to regulate non-audit services to avoid compromising independence.

- Encourage continuous professional development by promoting participation in training programs, workshops, and scientific seminars. Professional associations should actively facilitate access to ongoing education in line with evolving audit practices.
- Promote corporate governance practices more broadly, both within individual institutions and at national levels, to address financial mismanagement and rebuild confidence in accounting information.

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