

ISSN: 2392-5442 ESSN : 2602-540X		Sport system journal
V/11 N/01 Year/2024		International scientific journal published by: Ziane Achour –Djelfa- Algeria
P -		Received: 16-02-2024 A ccepted: 15-03-2024

Towards the application of governance principles in sports organizations

Khalil Elaguab ^{1*},

¹, University blida 02 - khalilelaguab@gmail.com

Abstract:

The term "governance" has become more well-known in international institutions, as the term has spread in the fields of economic, social, sports and public policy development, and despite two decades of circulation, many questions have been raised about its meaning and the possibility of accepting it at the global level or the existence of differences in interpretation and application.

"Sports institutions" have also emerged as strong formal structures, as these institutions work to ensure the support and management of sports activities and their development and the arrangement of laws, rules and regulations related to sports. Recent studies indicate the need for effective governance systems to prevent collusion between auditors and those who have interests in the institution as board members and managers, which means a good governance system based on intervention and control by shareholders and general assemblies over boards of directors and executive bodies to reduce financial and administrative corruption within this institution.

Our study comes here to shed light on the theoretical and conceptual framework of what governance is, and to present the contents of sports institutions and organizations in language, terminology, and governance. The study will also focus on the importance of adopting the principles of governance in Sports institutions.

Keywords: Governance, Sports institutions.

***Corresponding author**

The first axis: In the definition of governance and its standards

Firstly: what is governance

A- The concept of governance in some international institutions:

- **At the World Bank:** the World Bank is considered one of the most important international donor institutions and in introducing this term for the first time in 1989 in a study on the economic crisis in sub-Saharan Africa, Governance was defined broadly as: "the exercise of political power to manage state affairs," and with the beginning of the nineties, experts from the bank tried to develop the term and give other definitions more: The bank also used the term poor governance or irrational governance to refer to some of the features of this governance method, for example: the personalization of power, lack of respect for basic human rights, widespread corruption, the existence of an unelected and unaccountable government and the lack of participation of citizens through their representatives in the formulation of public policies of interest to the individual and society .
(Tawfik Rawia, 2005, p.23).

In the sense of violation, good governance or governance requires institutionalizing the decision-making process, providing transparency, supporting the principles of accountability, participation, the rule of law and respect for fundamental human rights.

- **At the organization for Economic Cooperation and Development (OECD):** this concept and what went around it is close to the definition set by the OECD in 1995, where it considered that the method of governance is: "the use of political power and the exercise of control over society in the management of resources to achieve economic and social development", and the concept of governance according to the Development Assistance Committee (DAC) of the organization " that governance is the use of political power and the exercise of control and control in society regarding the management of its resources to achieve social and economic development ".

- **The Asian Development Bank:** defines governance as " the institutional framework through which citizens interact with each other on the one hand and with government agencies on the other ".

- **The United Nations Development Programme (UNDP)** has developed a more comprehensive definition, defining governance as: "the exercise of economic and administrative authority to manage the affairs of the state and society at all levels, and also includes mechanisms, processes and institutions through which individuals and groups can express their interests, exercise their legal rights and fulfill their obligations ".

Hence, the concept of governance as defined by the said program is based on three basic pillars, namely : (Salwa Gomaa, 2001, p.12).



Towards the application of governance principles in sports organizations

1. Economic pillar: includes decision-making processes that affect the economic activities of the state;
2. Policy pillar: includes decision-making processes related to the formulation and formation of Public Policy;
3. Administrative pillar: includes the system for the implementation of these policies;

- **The same program also developed another definition of governance:** "it is based on participation, transparency, accountability and support for the rule of law," the Global Governance Commission defines governance as: "the sum of the methods used by individuals, institutions, the public sector and the private sector in managing their affairs," the British National Institute shows that the term governance is broader than government and includes interaction between official institutions and civil society institutions. Hence, governance refers to: "the processes through which the elements of society use Power, Authority and influence and set policies and decisions that concern public life and social development".

B- Academic concepts:

Academic studies have emerged to give their own concepts and definitions, to determine the reasons that led to the emergence of this new term brought by the World Bank and academic studies focused on some of the dimensions put forward in the definitions of international organizations, some definitions showed the element of interaction between the government and civil society institutions as one of the basic elements in the definition of this term.

- **The definition of Morten Bose Morten Bose:** which considered that governance is concerned with systems that form a set of basic principles for organizing public life, including formal government institutions and informal institutions that operate in the public sphere.

- **The definition of Hans Hermut Alsen Hans,** who considered that governance is the art of managing interactions between the state, the private sector and civil society, and these definitions emphasized that the concept of governance goes beyond the government or official government agencies.

- **The writings of Goran Hayden,** his concept of governance is related to the concept of the system "Régime", that is, he goes to the rules of the political game and that defines the set of basic rules that regulate the political sphere. **(Zadam Youssef, 2007, p.16).**

From its point of view, the concept solves the problem of arbitrary separation between the state and society because it aims to formulate and manage a set of rules within the framework of which the state and civil society institutions work

together, and these rules are those that are later translated into constitutions, laws and administrative regulations.

Some other directions are trying to establish a comprehensive definition of the concept by defining several levels of it, Adrian Leftwich Adrian Leftwich has identified three levels of governance (**Nader Ferjani, June 2000, p.17**)

First: a structural level that refers to the general rules that determine the distribution of political and economic power in society, and at this level it is similar to "Goran Haydn" in the concept of the system in the sense that it refers to the set of rules governing economic and political relations.

Secondly, it is a political level that is based on the rules governing the political system, and governance at this level is supposed to be characterized by the existence of a legitimate system that relies on a democratic mandate from the masses and is based on the principles of pluralism and separation of powers .

Third: an administrative level that requires a rational type of management and the existence of an efficient, independent, transparent and accountable civil service apparatus.

Apart from this broad presentation of the concept of governance, Dr. Mustafa Kamel al-Sayed considers that the study of governance is a study of the decision-making process at the highest levels, and the great importance of this presentation seems to emphasize that governance is not limited in its content to the technical administrative meaning put forward by the World Bank, but is essentially a political process more related to the decision-making method based on that if decisions are not taken rationally at the highest level, no administrative organizations will be able to avoid its negative effects.

Some key features can be deduced from the definitions of governance, namely:

1. The concept of governance did not begin as a concept stemming from the academic field, although some writings refer to the ancient roots of the term, but as a concept put forward by international donor institutions, especially the World Bank;
2. Good governance is the definition of the elements that make institutional mechanisms and rules effective, such as the rule of law, transparency, accountability and participation;
3. Although both the concepts of governance and democracy are sometimes used in the same sense, the previous purpose of the concept shows that there is a difference between the two terms so that good governance can be studied independently of democracy, especially in its narrow sense associated with pluralism and the circulation of power.

Secondly: determinants and mechanisms of governance

The World Bank links the concept of governance to achieving economic development and fighting corruption in African countries through two variables:



Towards the application of governance principles in sports organizations

- Efficiency of the government public sector;
- Economic growth;

Governance, according to the bank, is expressed as the state in which the government is accountable and able to achieve sustainable development.

The bank has identified 03 criteria for this concept, namely : **(Tawfik Rawia, 2005, p.30).**

1. The method of managing the economic and social materials of the state to achieve development;

2. The form of the political system;

3. The extent to which the government sector is able to formulate and crystallize the implementation of policies and perform the functions assigned to them.

Governance requires institutionalizing the decision-making process, providing transparency, supporting the principles of accountability, participation, the rule of law and respect for Human Rights, and on the other hand, according to the definition set by the United Nations Development Program, it is based on a set of criteria, the most important of which are:

- **Participation:** The concept of participation in its broad sense in the processes of economic and social development in general appeared in international forums and in the declarations and resolutions of the United Nations in the sixties of the last century, and this concept began to enter the dictionary of development experts in the late seventies and until the beginning of the nineties began to think again about this concept, where in February of 1990 in Tanzania pay more attention to things The launch of the new term by the World Bank for the concept of governance, **(Zuhair Abdulkarim al-Kayed, 2003, p. 89).** which reflects the developments and transformations in the past years, and emphasizes the importance of the participation of both the private sector and civil society institutions in the making and implementation of public policies of the state. participation means that all citizens have a say in decision-making, whether directly or indirectly without any distinction between them of any kind, whether as individuals or through civil society institutions.

- **The rule of law:** legal frameworks should be characterized by Justice and application without discrimination, so it is the framework that regulates relations between citizens on the one hand between them and the state on the other hand, it also regulates relations between state institutions and respects the separation of powers and the independence of the judiciary, in order to ensure justice and equality between citizens, and this by clarifying laws, transparency and consistency in application.

- **Transparency:** means the right of members of society to know how the decisions that appoint it are made, who makes them, in what circumstances it was done, how public resources are being used, who manages them, and for what. In other words, it is the availability of accurate and timely information and giving everyone access to the necessary and documented information, which helps in making good decisions in this public policy area on the one hand, and on the other hand to publish this information publicly and periodically in order to expand the circle of participation, control, accountability and besieging corruption.

Vito Tanzi believes that transparency is based on a clear distinction between the government sector and the rest of the sectors, according to which the political and administrative roles within the government are determined according to a specific mechanism that is made known to the public and in which responsibilities are defined between different levels of government as well as between the executive, legislative and judicial authorities. (**UNDP, Nov. 1998, p .21**).

In other words, transparency at all stages of preparing the general budget is one of the necessary factors that enable citizens, through their representatives in parliament, elected local councils and civil society institutions in general, to monitor the work of the government and hold it accountable. therefore, the amount of transparency characterized by the general budget of the state has become one of the basic criteria of governance, and evidence of good management of state finances along with the axis of effectiveness of fiscal policy.

Accountability means that individuals and organizations assigned to perform certain actions or activities are questioned and held responsible for the completion of these actions, and this responsibility is judged or measured by clear or declared criteria, and accountability means holding individuals and organizations responsible for their performance after measuring this performance in the most objective way possible. (**Youssef zadam , 2007, p. 67**)

Classification of accountability: as there are many definitions of accountability, there are also many classifications, including the classification of accountability into political, administrative and financial accountability. (**Sameh Fawzi, 1999, p 33**).

- **Political accountability:** it is the accountability of the government by the knowledge of the people for the responsibilities assigned to it by the knowledge of the citizens as a whole.

Here, a process of free and fair elections that allows the possibility of changing governments is one of the means to apply the concept of political accountability.

- **Administrative accountability:** it means vertical relationships within the administrative apparatus or the classical bureaucratic system and the definition of roles, responsibilities, systems and laws that allow measuring administrative performance.



Towards the application of governance principles in sports organizations

- **Financial accountability:** it means the ability to explain and clarify how funds, property and public assets were allocated and used in accordance with the applicable accounting rules, regulations and principles within a specified period of time, as well as questions and interrogations addressed to the minister of Finance in Parliament by members of the finance and Budget Committee.

Accountability is further classified into formal and informal (**ElBaradei Leila, 2001, p.409**).

- **Accountability is formal:** accountability, which is carried out through the three executive, legislative and judicial authorities of the state, means that one of the mechanisms of the executive authority to apply accountability is to rely on specialized and independent supervisory bodies.

- **Accountability is informal:** it means accountability carried out by informal sectors, such as civil society institutions such as NGOs and the press.

To deepen the principles of transparency and accountability in budget processes, the Presidential Commission on budget concepts in the United States explained in 1968 that the budget should provide the public with data, especially the private business sector, workers, the agricultural sector, so that citizens assess the degree of government care for public money and state resources, and also explained that citizens should be able to share ideas in important decisions focused on the general budget, the most important of which are: efficiency and effectiveness in key government programs, assessing the need to increase taxes as well as opportunities to reduce some of them, and financial policies designed to support progress and welfare.

In addition to participation, the rule of law, transparency and accountability as the main determinants of good governance, which are agreed by most of the literature, some other determinants or criteria of good governance were developed by institutions that are interested in strengthening economic **governance institutions such as:** the Asian Development Bank, which set the standards of justice and equality, good and responsiveness, efficiency and effectiveness.

The organization for Economic Cooperation and development, which held that in addition to the first criteria, there are equally important determinants for achieving good governance, namely: strategic outlook or vision and consensus building.

- **Other studies have focused on some criteria, including :** (**Karim Hassan, November 2004, p.43**).

- Accounting and accountability:
 - Political stability;
 - The quality of regulation of the economy and control of corruption;



- The importance of control and the balance of powers;

- **Good and responsive:** community institutions should strive to serve everyone and meet their needs without exception.

Consensus building: it is the ability to mediate and arbitrate between different and conflicting interests, in order to reach a broad consensus about the interest of everyone.

- **Efficiency and effectiveness:** efficiency aims at providing the ability to implement projects with results that respond to the needs and aspirations of citizens on the basis of rational and rational management of resources. effective management can contribute to achieving growth and fighting poverty, as well as can contribute to setting good guidelines and providing basic services at the lowest costs.

- **Strategic vision:** leaders and individuals should have a broad perspective on governance and Human Development and its requirements.

- **The principle of justice and equality:** in the sense of giving rights without exception, men and women and having the same opportunities equally, to promote gender in order to improve their social status.

The second axis: the reality of the concept of Cooperative Insurance and its governance

Firstly: definition of Cooperative Insurance

A- Cooperative Insurance in the language:

It is derived from the substance Aman, which indicates the tranquility of the soul and the disappearance of fear, and the original is to be used in the stillness of the heart. (Ahmed Fayoumi, Cairo, P.42).

It is said to be safe, secure, honest and secure: rest assured, he is not hidden, he is safe and secure, and it is said to you Security: I have secured you. (Ibrahim Mustafa,P. 27).

And the security of the country: reassure his people, and the security of evil: from him peace, and security, so we are on such: trust in him, reassure him or make him faithful to him.

As for cooperation, it is meant for mutual assistance, and for the importance of this came the Quranic texts, and the texts of the Prophet's Sunnah urge him.

In the Sunnah of the Prophet (peace and blessings of Allaah be upon him), he said: "The Believer is like the two built-up structures that pull each other together" [agreed].

It was mentioned earlier about Plato that he said:"groups appeared first of all as a result of human needs that can only be satisfied when people complement each other, people have many needs and there is no one who can live on the basis



Towards the application of governance principles in sports organizations

of self-sufficiency, and therefore it was necessary to seek each other's help and Exchange".

B- Cooperative Insurance in the agreement:

Due to the modernity of Cooperative Insurance, there are several concepts to choose from:

- **It is said that:** "a system based on cooperation between groups or individuals who undertake in return to compensate the damage caused to any of them when similar risks are realized, and these contributors to the risk have the same interests as the insured who suffered the damage .

A group of people participate in the creation of a fund for them, which they finance with a specific premium paid by each of them, and each of them takes a certain share from this fund if he is hit by a certain accident,(**Faisal Mawlawi, 1988, p.136**). "the statement said . Cooperative Insurance in this concept is not aimed at making a profit, nor is it aimed at achieving wealth for its members, but only at removing the damage caused to them.

His idea could be a mini money house for a group of Muslims to sponsor some of the most necessary aspects of social solidarity for them.

We find another definition of Cooperative Insurance that says: "it is the work of groups of people to mitigate the damage and disasters that fall on each other through organized cooperation, including each group collected by a specific collector, so that the purpose of this cooperation is to support, and to heal the rift that some individuals descend through the costs of their group on this, the intention of trade, profit and self-profit is absent for each of them in this grouping".(**Beltaji Mohammed,1982, p.202**).

Secondly: the legality of Cooperative Insurance and its provisions

Contemporaries and fiqh councils agreed on the permissibility of Cooperative Insurance of both types in principle, unless his company or management deals with taboos such as RIBA and Nuh.

- The decision of the international Fiqh Council No. 9 (9/2) stated: (that the alternative contract that respects the principles of Islamic dealing is the Cooperative Insurance contract based on donation and cooperation, as well as the case of reinsurance based on Cooperative Insurance).
- A detailed decision was issued by the Islamic Fiqh Council of the Muslim World League, we remind it of its text for its importance: (..The Council of the complex also unanimously decided to approve the decision of the Council of the Council of senior scientists in the kingdom of Saudi Arabia No. 01 dated 4/4/1397 ah of the Cooperative Insurance passport instead of the previously mentioned haraam commercial insurance for the following evidence : (**Ahmad Al-sharabasi, P 149**).

1. Cooperative Insurance is one of the donation contracts in which the originality of cooperation is to disperse risks and share responsibility when disasters occur through the contribution of people with cash allocated to compensate those who suffer damage. the Cooperative Insurance Group does not target trade or profit from other people's money, but they intend to distribute the risks among them and cooperate to bear the damage.

2. Cooperative Insurance is free from RIBA, both in the form of Riba al-Fadl and women's RIBA, because the shareholders' contracts are not RIBA-based and they do not use the collected premiums in Riba-based transactions.

3. It does not harm the ignorance of the shareholders in Cooperative Insurance to determine what benefits they have because they are donors, there is no risk, no deception, no gambling, unlike commercial insurance, it is a commercial financial netting contract .

4. A group of shareholders or their representatives should invest the collected premiums to achieve the purpose for which this cooperation was established, whether doing so as a donation or in exchange for a certain fee, and the board considered that cooperative insurance should be in the form of a mixed Cooperative Insurance Company for the following matters:

- The role of the state comes only as a complement to what individuals have been unable to do, and as a guiding and controlling role to ensure the success of these projects and the safety of their operations.
- The commitment to the cooperative idea of insurance, according to which the collaborators are independent of the whole project in terms of its operation and in terms of the executive body and the responsibility of Project Management.
- There is no doubt that the participation of parents in the administration makes them more keen and vigilant to avoid the occurrence of risks that they collectively pay the cost of compensation for, which therefore achieves their interest in the success of Cooperative Insurance, as avoiding risks brings them lower premiums in the future, and their occurrence may carry them higher premiums in the future.
- Moreover, the mixed image of the company does not make insurance if it is a gift or a grant from the state to its beneficiaries, but by sharing it with them only to protect and support them as the actual stakeholders, and this is a more positive attitude for the collaborators to feel the role of the state and does not exempt them at the same time from liability.

▪



Towards the application of governance principles in sports organizations

The third axis: the reality of applying governance in cooperative insurance companies

We address this axis through our exposure to five points that we consider essential as follows:

Firstly: the basics of governance in cooperative insurance companies

They are as follows: (Al-Qaradaghi, 2010, pp. 9-10).

- The internal control;
- Transparency and external control;
- Transparency and disclosure;
- Accountability;

The effective system of governance of Cooperative Insurance Companies is also considered to be the system capable of reducing the level of radicalization of the managers, maintaining good control, ensuring adequate, adequate and timely information, reducing agency costs and motivating managers to work in order to create value and maximize the wealth of shareholders.

It is possible to imagine a board of Directors of a Cooperative Insurance Company generally consisting of two groups of members, members from outside the executive management, which are known as independent members, may be formed from the founding members, and members from within the executive management, which is an important factor and a mechanism of governance mechanisms of Cooperative Insurance companies, as the board of Directors is qualified to exercise the function of supervision and control freely and in a manner independent of management, and a strong board of Directors is the one that actively participates in setting the strategy of this company, provides appropriate incentives to management, monitors its behavior and performance, and in order for these boards to be effective, they should be in a position that qualifies them to work for the benefit of the company, and and at the same time take It must also have the necessary authority to exercise its own judgments away from political and bureaucratic interference in its affairs, make the selection of senior management, as well as constantly supervise the company's performance and disclose it.

As for the organizational aspect, due to the many tasks, the board of directors forms specialized committees, each committee is concerned with a specific task, we mention here the tasks of the governance committee:

- To ensure the independence, efficiency and effectiveness of the board of directors in the management of the company.
- Supervision of remuneration related to managers.

- Reviewing recommendations related to nominations for membership of committees.
- Develop and implement methods to evaluate the performance and effectiveness of the board manager and all board committees.
- Supervising the plans related to the management of the company.
- To make recommendations to the board on the principles of corporate governance and a code of conduct and ethics.
- To submit proposals on the necessary amendments to the company's bylaws.

Secondly: the mechanics of applying governance in cooperative insurance companies

A- External audit:

Internal audit plays an important role in the success of corporate governance, as it reduces or eliminates conflicts between shareholders and management, and eliminates the asymmetry of information contained in the financial statements. The external auditor confers confidence and credibility on the information by approving the financial statements prepared by the company, after reviewing them and confirming the accuracy of the data and information contained therein, and the company's Board of directors plays an important and decisive role in setting strategic objectives and approving the strategies and general policies that dominate the operation of the company, so the board's decisions have a significant impact on the performance of any company. The corporate governance rules have focused heavily on a number of issues related to the formation of the board and how it governs the company, preserving its assets and maximizing the wealth of its shareholders.

B- Internal audit:

It is considered one of the most basic functions of the proper management of the company in accordance with the principles of governance. I have taken great attention following the financial scandals that have rocked many financial institutions, including insurance institutions, because they are qualified to detect errors and intentional and unintentional deviations early and correct them in a timely manner, and one of the tasks of the internal auditor in accordance with the principles of governance is the following:

- Develop and implement a risk-based audit plan by examining and evaluating the adequacy and effectiveness of the insurance company's systems as well as the company's internal controls and regulations and the extent of compliance and compliance of all its units and all employees with these controls;



Towards the application of governance principles in sports organizations

- The task is to ensure that all areas related to the technical aspect of the insurance company that it has been reviewed in its specified periods:
- Issuing the findings and recommendations on the extent of compliance with laws and regulations.

Thirdly: the need to establish transparency and disclosure within the governance of Cooperative Insurance Companies

The principle of good faith is one of the most important principles on which the Cooperative Insurance industry is legally based, it simply means that the insured must provide all the information and accurate data related to the risk, as is the case with the insurance company, it must provide all the information and accurate data related to the risk, and provide him with everything he needs and everything he needs, whether it comes to estimating the risk or explaining the terms of the policy, and concealing information in this regard is a form of violation of this principle, whether it comes to concealing material data, or making false statements that will affect the company's decision to accept the risk, as well in the case of concealing non-material data, or making false statements other than Therefore, we find that transparency and credibility have been lacking between the insured and the insurance companies.

Cooperative Insurance companies, like other financial institutions, are exposed to many risks due to the nature of the activity they carry out and the services they provide to customers. In this context, in order to ensure the effectiveness of this function, the board of Directors uses the risk committee in order to improve governance in the company and ensure the greatest effectiveness in determining the risks to which the company is exposed, all in order to : (**Obaid Magdy, 2010, P.18.**)

- The purpose of protecting the interests of stakeholders:
- The purpose of ensuring that the board of directors mobilizes all its assets towards the strategy through which additional value is achieved for the company within the framework of an effective control system.
- Ensure that regulatory and control controls are adequately and effectively implemented.
- Fourth: towards the application of corporate governance to Cooperative Insurance Companies.

The application of corporate governance as a system of control over Cooperative Insurance companies can be entitled to the following:

- **The purpose of solving the agency's problems:** through its internal and external principles and mechanisms, corporate governance ensures control over the performance of the board of Directors of the Cooperative Insurance Company, protecting the interests of policyholders, achieving the quality of financial reports issued by Cooperative Insurance companies, achieving equal treatment of policyholders, establishing a sound financial system and the necessary duties of government authorities to ensure the stability of the system in the long term and relying on its components, of which insurance is one of the most important.

- **Realize the protective insurance function:** Considering that Cooperative Insurance is the Takaful of a group of people by participating in a system that allows them to cooperate in bearing the damage caused to one of them by paying appropriate compensation to the injured through the premiums they donate. The consumer is protected by issuing regulatory rules within the framework of governance that ensure the safety of Cooperative Insurance Companies in the long term to ensure that there is no disruption in the contractual relationship between them and the insured. This tool is of great importance in modern economies, as it enables the commercial sector as well as individuals to reduce future risks and act well about them, which requires the need for no doubt to trust the insurance company in the long term, and that insurance companies have Sufficient reserves to cover future liabilities.

The objective of developing insurance markets, their efficiency and effectiveness: legislators and supervisors of the insurance industry must develop the proper framework for the development of this industry, ensure its safety and address the effects of deteriorating markets and their defects, not only for the benefit of the consumer alone but also the economy as a whole by providing a better kind of protection for the country's wealth in the present and future, making more funds available for development purposes, and strengthening the state's finances by increasing the resources derived directly and indirectly from the performance of the insurance sector.

Fourthly: procedures for establishing the principles of governance in cooperative insurance companies

Dr. Nasser Al Saidi, chief economist at the DIFC Authority, proposed a number of reform measures to support the governance of insurance companies - including cooperative insurance companies - in the Gulf region, at the level of the boards of Directors of these companies, and the number of these measures is as follows : **(Naamoun Eman, 2012, p. 11.).**

- The boards of Directors of companies must understand their responsibilities and duties towards insurance companies, interested parties and policyholders, regardless of the ownership structure.



Towards the application of governance principles in sports organizations

- The aim is to establish a specialized committee following the board of directors that will expand its area of control to include certain areas of operations and business of insurance companies.
- the boards of directors should work to ensure that the remuneration and compensation policy is applied.
- To establish bridges of communication and communication between the boards of Directors of companies on the one hand and the regulators and the public on the other, in order to contribute to the development of policies and regulations.

Conclusion and recommendations:

At the end of this study we will touch on:

- To present the most important results we have reached as a conclusion to the study of our problems.
- The aim is to provide a set of recommendations that can be worked on and benefited from, both at the level of academic and Applied Studies.

Through the study, we came to a set of **results**, namely:

- Internal and external audit is one of the most important mechanisms that can contribute to activating the role of governance in the Cooperative Insurance Company.
- To adopt the principle of transparency, disclosure and business ethics within the governance of Cooperative Insurance Companies.
- Cooperative Insurance companies, like other companies, cannot do without the principles of governance if they want to gain the trust of shareholders, the subscribers ' authority and all their customers.
- The Shari'a audit is a mechanism for applying the principles of governance in cooperative insurance companies, considering that the Shari'a standard issued by the accounting authority for Islamic financial institutions is within the framework of establishing and strengthening the principles of governance.
- The Cooperative Insurance that is free from Shari'a violations is an Islamic insurance alternative to commercial insurance, because it is based on donation, and it does not hurt for the insured to receive compensation for the damage caused when the risk occurs.

The study also **recommended** the following:

- Compliance with International Financial Reporting Standards



- The need to adopt the guidelines of the Islamic Financial Services Board and the accounting and Auditing Organization regarding sharia-compliant insurance;
- To improve standards of disclosure and transparency;

8. Bibliography List :

- Tawfik Rawia, **Good governance and development in Africa**, Institute of African research and studies, Cairo University 2005.
- Salwa Gomaa, **The concept of managing state and Community Affairs**, Center for Public Administration studies and consultations, Cairo University, 2001.
- Zadam Youssef, **Good governance in achieving human development in the Arab world, a memorandum for obtaining a master's degree**, Faculty of political science and media, University of Algiers, 2007.
- Nader Ferjani, **The good governance of the Arabs in the reform of governance in the Arab countries**, the magazine of the Arab future, Beirut, No. 256, June 2000.
- Zuhair Abdulkarim al-Kayed, **Al-hakmaniya, Arab Organization for administrative development**, Cairo, 2003.
- UNDP, **Fighting corruption to improve governance**, division for administrative development and Governance Management, New York, Nov. 1998.
- Youssef zadam, **Good governance in achieving human development**, a memorandum for obtaining a master's degree, Faculty of political science and media, University of Algiers, 2007.
- Sameh Fawzi, **Accountability and Transparency**, Center for political and Strategic Studies Al-Ahram, Cairo, 1999.
- ElBaradei Leila, **Accountability within the framework of the concept of managing state and society Affairs**, Center for Public Administration studies and consultations, Cairo University, 2001.
- Karim Hassan, **Corruption and good governance**, Journal of the Arab Future, Center for Arab unity studies, Beirut, year 27, No. 309, November 2004.
- Ahmed Fayoumi, **The illuminating lamp**, Halabi library, Cairo.
- Ibrahim Mustafa, **The intermediate dictionary**, the House of revival of Arab heritage, Beirut.
- Faisal Mawlawi, **The insurance system in Islam**, Beirut, first edition, 1988.
- Beltaji Mohammed, **Insurance contracts**, Dar Al-Oruba, Kuwait, 1982.
- Ahmad Al-sharabasi, **Islam and economics**.
- Al-Qaradaghi, **Cooperative Insurance**, research paper presented to the Cooperative Insurance Conference, April 13, 2010.



Towards the application of governance principles in sports organizations

- Naamoun Eman, **Principles of governance in cooperative insurance companies**, research paper presented to the first national forum on corporate governance as a mechanism to reduce financial and administrative corruption, Faculty of economic, commercial and Management Sciences, Biskra University, Algeria; 6-7/05/2012.
- Obaid Magdy, **Governance and development of the insurance sector**, Al Bayan newspaper, issue issued on: 1/6/2010.