

The role of Court of Auditors and Legal Auditor in reducing financial corruption in public and private companies (Field study)

دور مجلس المحاسبة ومحافظ الحسابات في الحد من الفساد المالي
في الشركات العامة والخاصة (دراسة ميدانية)

SEFFAHLLOU Rachid¹

University Djilali Bounaama-Khemis Miliana – Algeria
r.seffahlou@univ-dbkm.dz

Received: 18/03/2024

Accepted: 15/05/2024

Published: 11/06/2024

Abstract:

This study aims to highlight the aspects and forms of financial corruption and its effects on public institutions and public and private economic companies, and to clarify the laws and organizations developed to combat it. To achieve the objectives of the study, the descriptive approach was used in the theoretical aspect, and a questionnaire was designed and distributed to actors in the field of public accounting and auditing, as the study sample included 62 individuals. The study concluded that financial corruption does not occur in institutions except in a collusive manner between several individuals and it is discovered only by specialists, and the Court of Auditors is considered an effective tool for preserving public money in non-profit public institutions and organizations, especially after expanding its supervisory powers and areas of intervention, while the legal auditor is considered an auxiliary of justice in economic enterprises, because he is obligated to declare to the public prosecutor the misdemeanor acts he discovers While performing his duties, and thus contributes to limiting the spread of the crime of financial corruption in companies and organizations he controls.

Key words: Financial corruption; Court of Auditors; Legal auditor; Legal audit; Public money

ملخص:

تهدف هذه الدراسة إلى إبراز مظاهر وأشكال الفساد المالي وآثاره على المؤسسات العمومية والشركات الاقتصادية العامة والخاصة وتبيان القوانين والهيئات المستحدثة لمحارته. لتحقيق أهداف الدراسة تم استخدام المنهج الوصفي في الجانب النظري، كما تم استخدام استبيان صمم ووزع على الفاعلين في مجال المحاسبة العمومية والتدقيق حيث اشتملت عينة الدراسة على 62 مفردة. خلصت الدراسة إلى أنه لا يكون فساد مالي في المؤسسات والشركات إلا بطريقة تواطئية بين عدة أفراد ولا يتم اكتشافها إلا من طرف مختصين، وأن مجلس المحاسبة يعتبر أداة فعالة للحفاظ على المال العام في المؤسسات والهيئات العمومية غير الهادفة للربح خاصة بعد توسيع صلاحياته الرقابية ومجالات تدخله، بينما يعتبر محافظ الحسابات مساعد للعدالة في الشركات الاقتصادية كونه ملزم بالتصريح إلى وكيل الجمهورية بالأعمال الجنحية التي يكتشفها أثناء تأدية مهامه وبالتالي يساهم في الحد من انتشار جريمة الفساد المالي في الشركات والهيئات التي يراقبها.
الكلمات المفتاحية: الفساد المالي؛ مجلس المحاسبة؛ محافظ الحسابات؛ التدقيق القانوني؛ المال العام.

¹ - Corresponding author: SEFFAHLLOU Rachid, e-mail: r.seffahlou@univ-dbkm.dz.

1. INTRODUCTION

There is no doubt that corruption is a growing scourge in Algeria due to its direct negative impact on the development of the national economy and obstructing it. It has also become a phenomenon with social, economic and political aspects, especially in recent years. Combating it requires the combined efforts of those in charge of managing public funds and activating the control mechanisms established in public and private companies, and among these mechanisms is the Accounting Council (or the Court of Auditors) responsible for protecting public money within the limits of the powers delegated to it, especially after the issuance of Presidential Instruction No. 03, which stipulates the necessity of activating the role of the Accounting Council in the field of combating corruption, and the obligation to appoint legal auditor in companies and organizations, as he is considered an “assistant to justice” so he is obligated under commercial law, to report discovered financial crimes to the Public Prosecutor that he became aware of during the performance of his duties, and he has the right to make surprise visits to the company under surveillance without prior notification, which makes the auditor the person who can uncover corruption crimes in companies that are difficult to discover. Sometimes they can only be discovered by a specialized expert.

In order to shed light on the crime of financial corruption as an obstacle to the development of the national economy and to know the role of the Accounting Council and the role of the legal auditor in reducing corruption crimes in public and private companies, we articulate the research problem around the following main question:

How can the Accounting Council and the Legal Auditor limit the spread of the crime of financial corruption in public and private companies and organizations? To answer the main question, the following sub-questions must be answered:

- What are the manifestations and forms of financial corruption and what are the ways to combat them?
- How can the Accounting Council preserve public money and limit its embezzlement?
- How can the legal auditor limit the spread of financial corruption in economic companies?

Research hypotheses:

Three research hypotheses were formulated in this work, namely:

- **Hypothesis No. 1:** The crime of financial corruption in companies occurs in a collusive manner that is difficult to detect.
- **Hypothesis No. 2:** The Accounting Council is an effective tool for preserving public money after expanding its supervisory powers and areas of intervention.
- **Hypothesis No. 3:** Obligating the legal auditor to report discovered financial crimes to the Public Prosecutor limits their spread.

Research importance:

The importance of the topic is highlighted in the following points:

- The issue is considered one of the most important topics of the moment, and it has presented itself with urgency recently, especially after starting to fight all types of corruption, considering it a scourge that hinders the development of the national economy, as well as holding the perpetrators of corruption accountable in Algeria.

-The issue coincides with the state's efforts to restore the reputation of the Accounting Council and the auditing profession to limit the spread of the crime of financial corruption.

Research objectives

In light of the problem and hypotheses, we try to shed light on the following points:

- Addressing the concept of financial corruption and knowing its danger and impact on the national economy;
- Highlighting the role of the Accounting Council in combating financial corruption and waste of public money;
- Knowing the method followed by the legal auditor to limit the spread of financial corruption in companies and organizations.

Research limits

The limitations of the study were as follows:

Objective limits: This study focused on the role of the Accounting Council in detecting embezzlement of public funds in public institutions and the role of the legal auditor in revealing the embezzlement of money in companies.

Spatial boundaries: The theoretical study was supported by an exploratory study of a sample of actors in the field of auditing, including accounting judges working in the Accounting Council, legal auditors, and academics who are university professors specialized in public accounting and auditing.

Time limits: The time limits were the period extending from November 1, 2023 to January 20, 2024.

Previous studies

There are several various studies on many websites and electronic journals, including:

Study of (MESSAOUD, 2018): The role of Accounting Board in the protection of the public money against financial corruption in Algerian legislation. The study aimed to try to find out what are the mechanisms guaranteed by the Algerian legislator for the Accounting Council to protect public funds from forms of financial corruption. The study concludes that despite the successive reforms witnessed by the Council, it fell short of achieving the vision it aspires to, and the transparency it seeks to achieve in the management of public funds. These perceptions and goals, which seem to be just a pregnant idea, have remained.

315 Study of (HARMEL, 2019): The role of the court of auditors in protecting public money. The study aimed to find out How does the Accounting Council contribute to protecting public money? And What are the different mechanisms to achieve this? The study found that despite all these mechanisms and systems that the Accounting Council worked to establish It is embodied on the ground to protect public money, but it lacks insight and Many shortcomings in the rules of good governance and rational management of funds General, poor control over predictions.

Study of (Bourahla & Boutouba, 2021): The degree of Commissioner of Auditors Commitment to the Regulations of Professional Behavior and its role in detecting of financial corruption (a field study): The study aims to determine the commitment of the Commissioner of Auditors to the Regulations of Professional Behavior and its role in detecting financial corruption practices in Algerian companies. The study concludes that auditors in Algeria respect professional ethics rules in the exercise of their functions, and that there is a statistically significant relationship

between the commitment of accountants to the rules of professional ethics and the detection of financial corruption.

The added value of the current study: The first and second studies were theoretical and dealt with the role of the Accounting Council in preserving public money. The third study was theoretical and applied, but it was concerned only with the role of the legal auditor in detecting financial corruption. Therefore, in the current study, we tried to support previous studies by trying to clarify the role of the **Accounting Council** in combating financial corruption in public, non-profit institutions, and the role of the **legal auditor** in combating financial corruption in public and private economic companies, with a focus on how to detect and declare the embezzlement of funds during the performance of their duties.

2. Definition and manifestations of financial corruption

Below is a definition of financial corruption and its negative manifestations

2.1. Definition of financial corruption

Several definitions have been given to financial corruption, including the following (Djriou & Bouflih, 2018, p. 121):

* Financial corruption is a deviation from social values and satisfying financial ambitions, and obtaining illegal benefits.

* Financial corruption is a means of earning profits through illegal activities indirectly. This occurs when there is an imbalance in the government or tax system, or an imbalance in the economic systems.

* Financial corruption is defined as “the totality of financial deviations and violation of the financial rules and regulations that regulate the conduct of administrative and financial work in the state and its institutions, which ultimately leads to harming public funds.”

Transparency International defines corruption as “The abuse of office in the public sector for the sake of achieving personal gain and benefit” (KADID, 2018, p. 60) .

Through the various previous definitions of the concept of financial corruption, it has several meanings, including:

- Corruption is intentional and deliberate;
- It is secretive in nature to the point where it is impossible to discover it.
- The purpose of corruption is to achieve personal and mutual financial gains between several parties;
- There are many forms of financial corruption, such as bribery, embezzlement, tax evasion.

2.2. Manifestations of financial corruption

The manifestations of financial corruption can be summarized in the following points (BARBARY & CRIVARD, 2017, p. 59)

- Money smuggling: It represents one of the manifestations of financial corruption that occurs when money is seized illegally
- Money laundering: earning money illegally and then entering it into official channels with the aim of giving it a legal status

- Violating financial and legal rules and regulations: through a lack of integrity and transparency in financial transactions

- Misappropriation of assets: This means the process of disposing of assets owned by an economic institution in ways that violate the provisions.

- Looting public money: unjustly wasting and dissipating public wealth secretly

3. The role of the Accounting Council in combating financial corruption crimes

The Accounting Council is considered a body of judges with training in financial and public accounting, which undertakes subsequent oversight of public expenditures and the proper management of the state's general budget. We discuss its establishment, its powers, and how it preserves public money and fights corruption.

3.1. The establishment of the Accounting Council

The Accounting Council is considered one of the most important institutions for preventing and combating financial corruption. It is considered a specialized administrative judicial body, and its establishment was stated in accordance with Article 190 of the 1976 Constitution, which stipulates that: "The Accounting Council shall be established in charge of subsequent oversight of all public expenditures of the state..." It was established in 1980 under Law 80-05 of 01 March 1980 related to the exercise of the oversight function of the Accounting Council. Given the importance of this council, it was referred to in subsequent constitutions that enshrined its re-establishment. The 1989 Constitution stipulated the establishment of an Accounting Council to undertake subsequent oversight of public funds.(Official Gazette No. 94 of 1976).

With the issuance of Order No. 95-20 dated July 17, 1995, the Accounting Council was once again rehabilitated by expanding its oversight powers to include all public funds, regardless of their legal description.

In response to the President of the Republic's Instruction No. 03 of 2009, related to activating the fight against corruption, which stipulated the necessity of activating the role of the Accounting Council in combating financial corruption, the legislator intervened in 2010 and amended the Law of the Accounting Council in accordance with Order 10-02 of August 26, 2010, and activated its role in the field of Combating corruption by expanding its supervisory powers and areas of intervention, as confirmed by the recent constitutional amendment that the country witnessed under Law 16-01 of March 6, 2016, which affirmed the independence of the Accounting Council in addition to developing good governance and transparency in the management of public funds, and this is what Article 192 of it stipulates. Thus, the Accounting Council became the most important body concerned with combating financial corruption.

3.2. Mechanisms of the Accounting Council's work and its effectiveness in combating corruption

The Accounting Council accomplishes the oversight process by accomplishing the following tasks:

3.2.1. Administrative oversight of the Accounting Council

Administrative oversight is one of the most important powers entrusted to the Oversight Council stipulated in Article 03 of Order 95-20 mentioned previously, and they are represented in (AMJOJ, 2007, p. 127) :

- Monitoring the proper use of resources and funds by evaluating the tasks, objectives and means used by public bodies to perform their activities and achieve the public interest;

- Evaluating public projects and programs: ensuring that their financial and accounting operations comply with applicable laws and regulations.

3.2.2. Judicial oversight of the Accounting Council

The judicial oversight carried out by the Accounting Council is considered a deterrent oversight against the misuse of state funds, as the Accounting Council reviews the accounts of the public accountant and reviews the accounts of those ordering the disbursement, after they submit their accounts within the legal deadlines so that the judges of the Accounting Council can monitor them and consider the extent to which they are subject to the principle of separation between the two orders. in exchange and public accountants, as well as applying the double decision rule (BENDAOU, 2012).

3.2.3. Mechanisms of the Accounting Council in combating financial corruption

Judges of the Accounting Council prepare reports clarifying the legal status of public bodies subject to oversight, and if the reports reveal deficiencies or fraud in the misuse of funds of public bodies and institutions and cause damage to the public treasury, it takes the legal measures authorized by the legislator in Order No. 95-20 relating to the Council of Accounts. Accountability, and informing the relevant bodies and guardian authorities of the results of oversight (BOUSSAIOUD, 2015, p. 79)

4. The role of the legal auditor in combating financial corruption crimes

Before discussing the task of the legal auditor as an assistant to justice, we first address his definition and tasks.

4.1. Definition of the legal auditor and his tasks

The legal auditor has been defined and his most important tasks highlighted in accordance with what is stated in Law 10-01 relating to the professions of accounting expert, auditor and certified accountants. (Official Gazette No. 42, 2010)

4.1.1. Definition of the legal auditor

According to Article 22 of Law 10-01, the legal auditor is “every person who exercises, in a regular capacity, in his own name, and under his responsibility, the task of certifying the correctness, regularity, and conformity of the accounts of companies and bodies and their conformity with the provisions of applicable legislation.”

4.1.2. Duties of the legal auditor

The Algerian legislator paid attention to the tasks of the auditor due to the sensitivity of the profession, as he defined all his tasks and divided them into main or general tasks and secondary or special tasks. We will suffice with mentioning the most important of them:

- Certifying that the annual accounts are regular and correct, as well as the financial position and property of companies and organizations;
- Examining the accuracy of the annual accounts and their conformity with the information set forth in the management report submitted by managers to shareholders;
- Expressing an opinion on the internal control procedures approved by the Board of Directors or Director;
- Estimating the conditions for concluding regulated agreements between the company he monitors and its affiliated institutions or bodies;
- Informing managers and the General Assembly of any deficiency that may be discovered that hinders the continued exploitation of the company or organization;

- Informs the Board of Directors (or Directors) of the violations and errors that he may discover;
- The auditor also informs the public prosecutor of the misdemeanor acts he has reviewed.

4.2. The task of declaring criminal acts to the Public Prosecutor The fourth recommendation of professional duties was issued in the annex to the decision of the Minister of Economy relating to the professional care of the auditor and relating to the declaration of criminal acts to the Public Prosecutor (Decision No. 103/SPM/1994)

4.2.1. Mandatory declaration of misdemeanor acts

The legal auditor is considered an “assistant to justice,” as he is obligated under the Trade Law to inform the Public Prosecutor of the misdemeanors he discovered while carrying out his duties. If he does not report the misdemeanors he discovered, he exposes himself to imprisonment from one to five years and a fine of 20,000 to 500,000 DZD, or one of these two penalties. (SADI & MAZOUZ, 1993, p. 109)

4.2.2. Misdemeanor acts must be reported to the Public Prosecutor

Misdemeanor acts that must be reported to the public prosecutor are acts directly related to the social life of the company, such as: (BOUTINE, 2008, p. 64)

- * Violations related to commercial companies (criminal provisions of commercial law)
- * Violations expected in other texts and have an impact on the annual accounts. When a questionable act or action is discovered, the auditor conducts the research he deems necessary to be convinced of the criminal merit of the discovered act, especially:
 - Ensure that the work discovered is essential or significant, and that it is not merely an error or forgetfulness;
 - Identify the consequences of the work discovered and the pursued target, and identify the persons responsible for that.

4.2.3. Professional duties of the legal auditor regarding illegal acts (misdemeanors)

During the performance of his mission, the legal auditor bears general responsibility for taking care of his mission because he is obligated to provide the means but not the results. Hence, he can resort to probing techniques, which absolves him of responsibility in the event that violations are not discovered when they actually exist. The auditor's mission is not primarily based on automatically searching for misdemeanor acts, but if he is negligent in performing his duties or refrains from declaring the discovered violations due to his ignorance of the laws, he will not be exempt from the previously mentioned responsibility. In order for the him to justify the good application of the necessary professional care, he must prepare and keep in the annual file a worksheet for each company on which he explains (Hadj-Sadok, 2007, p. 81):

- The discovered misdemeanor acts, the declaration to the Public Prosecutor on the date, the procedures followed...);
- If no misdemeanor act is discovered during the monitoring year, this must be written on that paper.

4.2.4. Duration and form of the declaration to the Public Prosecutor

The declaration shall not be made until the auditor has carried out all the investigations he deems appropriate to understand and control the discovered act.

- The period required for all investigations does not exceed a few weeks, given the obstacle attached to the auditor regarding the influences that may be exerted on him, as well as the possibility of translating his silence into refraining from making a statement;

- The declaration must be in writing, dated and signed, and the declaration letter must be placed opposite the release document;
- The declaration letter must contain, especially a reminder of the provisions of Articles 715 bis 13, 715 bis 14 and 830 of the Commercial Code, identifying the company concerned with the declaration, a detailed description of the misdemeanor acts supported by deterrent texts, in addition to identifying the perpetrator and his potential accomplices;
- In complex cases, the auditor can request a meeting with the public prosecutor to inform him verbally of his discoveries.

In order for the auditor not to be prohibited from informing the Public Prosecutor of all the crimes he learned about on the occasion of completing his legal duties, because the legislator sees the auditor as an assistant to justice in the company, that is, the person who can uncover the crimes of the directors and their partners, which are sometimes difficult to discover except from a specialized expert. (Hadj-Sadok, 2007, p. 83)

And so that the legal auditor does not fall into the forbidden, he must inform the Public Prosecutor of all the crimes he learned about during his legal mission, because the legislator believes that the auditor is an assistant to justice in the company, that is, the person who can uncover the crimes of the managers and their partners, which are sometimes difficult to discover except by a specialized expert.

5-Field study: polling the opinions of a sample of professionals and academics

In order to project the theoretical aspect onto practical reality and obtain results that enable responding to the problem at hand and testing the approved hypotheses, a questionnaire was designed and distributed to actors in the field of public accounting and auditing. The study sample included 62 items.

5.1. Methodological framework of the study

We begin the field study by introducing the population, the study sample, and the statistical tools used, then testing the reliability and validity of the questionnaire

5.1.1. Study population and sample

The study population consists of all actors in the field of public accounting, financial accounting, and auditing, including professionals (auditors, accounting experts, and judges of the Accounting Council) or academics (university professors specialized in the field) in order to reach the largest possible amount of opinions.

The questionnaire included 70 forms. 30 paper forms and 40 electronic forms were distributed, with a total of 70 forms, and 62 valid forms were retrieved to conduct the study, as shown in Table No. 01 below.

Table 1: Statistics of questionnaire forms

Forms	Paper forms		Electronic forms		Total	
	Number	%	Number	%	Number	%
Distributed forms	30	100	40	100	70	100
Canceled forms	03	10	05	12.5	08	11.4
Forms suitable for analysis	27	90	35	87.5	62	88.6

Source: Prepared by the researcher from the questionnaire

5.1.2. Statistical tools used in the analysis

The SPSS 26 statistical package program was used to transcribe and process the questionnaire data. Both descriptive statistics tools (frequencies, percentages, arithmetic means, and standard deviations) and inferential statistics tools (Chrombach’s alpha coefficient, T-Test) were used to process the data and arrive at results based on indicators. Statistical explanation. The five-point Likert scale shown in the following table was also used:

Table 2: Five-point Likert scale and ordinal weights for weighted arithmetic mean

Category	Strongly Disagree	Not agree	Neutral	Agree	Strongly agree
Grade or weight	1	2	3	4	5
Weighted arithmetic average	[1 – 1.79]	[1.8 – 2.59]	[2.6 – 3.39]	[3.4 – 4.19]	[4.2 – 5]

Source: Prepared by the researcher based on the five-point Likert scale

5.1.3. Test of the reliability and validity of the questionnaire

In order to test the reliability of the questionnaire, the indicator (Chrombach's alpha) was used. The following table shows that the reliability coefficients are high, ranging between 0.78 and 0.86. Thus, the presence of high reliability and the validity of the study tool indicate the consistency of the statements.

Table 3: Results of Cronbach’s alpha coefficient test

Questionnaire Axis	Number of sentences	Coefficient alpha	Validity coefficient
1- The reasons for the spread of financial corruption in companies	4	0.78	0.88
2- The effectiveness of the Accounting Council in combating financial corruption after expanding its powers	5	0.86	0.93
3- The role of the legal auditor as an assistant to justice in companies	6	0.83	0.91
All axes	15	0.81	0.90

Source: Prepared by the researcher based on the results of SPSS

5.2. General characteristics of the study sample

First: Displaying demographic information

The demographic information that describes the study sample can be displayed in the following table:

Table 4: Description of the characteristics of the study sample

Distribution standard		Repetition	%	Distribution standard		Repetition.	%
Age	Under 30 years old	07	11.3	Professional experience	Under 05 years old	09	14.5
	From 30 to 40 years	17	27.4		From 05 to 15 years	15	24.2
	From 40 to 50 years	20	32.3		From 15 to 25 years	22	35.5
	More than 50 years	18	29		More than 25 years	16	25.8
	sum	62	100		sum	62	100
Qualification	Bachelor's degree	23	37.1	Occupation	“Commissaire Aux comptes”	16	25.8
	Master	04	06.5		Accounting expert	12	19.3

	“Magistère”	14	22.6		Judge at the Accounting Council	08	12.9
	Doctorate	21	33.8		University Professor	26	42
	sum	62	100		sum	62	100

Source: Prepared by the researcher based on the results of SPSS

Second: Analysis of demographic information

From Table No. 04 we note that:

- **Age group:** The group that responded most to the questionnaire was the group from 40 to 50 years old, at a rate of 32.3%, followed by the group over 50 years old at a rate of 29%, then the group from 30 to 40 years old at a rate of 27.4%, and finally the group under 30 years old at a rate of 11.3%.
- **Academic qualification:** The category that most participated in the questionnaire were bachelor’s degree holders with a rate of 37.1%, followed by the doctoral holders category with a rate of 33.8%, then the master’s holders category with a rate of 22.6%, and finally the master’s holders category with a rate of 06.5%.
- **Occupation:** The category that participated most in the questionnaire were university professors, at a rate of 42%, followed by the category of auditors, at a rate of 25.8%, then the category of accounting experts, at a rate of 19.3%, and finally the category of judges in the Accounting Council, at a rate of 12.9%.
- **Professional experience:** The category that participated most in the questionnaire was the category that had experience from 15 to 25 years, at a rate of 35.5%, followed by the category that had experience for more than 25 years, at a rate of 25.8%, then the category that had experience from 5 to 15 years, at a rate of 24.2%, and finally the category that had experience for more than 25 years, at a rate of 25.8%. 14.5% of those with less than 5 years of experience.

5.3. Analysis of questionnaire results

5.3.1. The first axis: The reasons for the spread of financial corruption in companies.

The following table No. (05) Shows the results of the questionnaire related to the first axis.

Table 5: Results of the questionnaire on the first axis

statements	Repetition Pourcentage	Strongly Disagree	Not agree	Neutral	Agree	Strongly Agree	Average Arithmetic	Standard deviation	Sample orientation
1-Weak external auditing is one of the reasons for the spread of financial corruption in companies.	Rep	2	5	5	32	18	3.76	0.79	Agree
	%	3.2	8.1	8.1	51.6	29			
2-The accountant's collusion with managers leads to the spread of financial corruption in companies.	Rep	14	15	09	13	11	2.89	1.16	Neutr
	%	22.6	24.2	14.5	21	17.7			
3-When a crime of financial corruption is committed in companies, it is covered up in a way that is difficult to detect.	Rep	/	3	4	11	44	4.24	0.64	Strongly Agree
	%	/	4.8	6.5	17.7	71			

4-The crime of financial corruption in companies can only be discovered by an experienced specialist .	Rep	/	6	5	34	17	3.8	0.69	Agree
	%	/	9.7	8.1	54.8	27.4			
							82.2		
Statistical indicators and the general trend of the first axis							3.67	0.81	Agree

Source: Prepared by the researcher based on the results of SPSS

First: Analyzing the results of the first axis

The general trend for this axis was (Agree) based on the results of Table No. (05), as the sample members agree that the reasons for the spread of the crime of financial corruption in institutions are due to weak external audit, internal collusion, and good coverage of the crime that can only be discovered by experienced specialists. The arithmetic mean was 3.67, and this value belongs to the fourth of the five-point Likert scale (OK), while the standard deviation was 0.81, which indicates that there is no significant variation in the answers.

- **Regarding the first question:** We note that 80.6% of the sample agreed that weak external audit is one of the reasons for the spread of corruption in public and private institutions. This is a result of the weak training of external monitors or their indifference while performing their supervisory work, which prompted the Algerian legislator to activate the fight against financial corruption. By re-employing new judges in the Accounting Council and ensuring that they are well trained before they begin their supervisory work in public institutions, he also abolished the old method of practicing the profession of bookkeeper and stipulated a competition to join the Institute of Specialized Education to obtain the bookkeeper certificate after in-depth study for two years, and for a period of three years for accounting experts.

- **Regarding the second question:** The opinions of the sample members differed, as 46.8% do not believe that the collusion of the accountant with the managers leads to the spread of financial corruption in public institutions and public and private companies, while 38.7% of the sample members see the opposite, which prompted the rest (14.5%) to take action. A neutral position. This indicates that financial corruption can be with the knowledge of the accountant, since he is the one who prepares the financial statements. It can also be at higher levels without the knowledge of the accountant, and this discrepancy is evidenced by the standard deviation, which was greater than 1.

- **Regarding the third question:** We note that 88.7% of the sample agreed that when a crime of financial corruption is committed in public institutions and private companies, it is covered up in a way that is difficult to discover, and here we return to the complicity of the accountant who resorts to creative accounting to cover it up.

- **Regarding the fourth question:** We note that 82.2% of the sample agreed that the crime of financial corruption in public institutions and private companies cannot be discovered except by an experienced specialist, which prompted the Algerian legislator to reconsider the composition of observers.

Second: Testing the first hypothesis

Null hypothesis: The crime of financial corruption in companies is not collusive and is not difficult to detect.

Alternative hypothesis: The crime of financial corruption in companies occurs in a collusive manner that is difficult to detect.

Table 6: T-test for the first hypothesis

Sample volume	Arithmetic average	Standard deviation	T-test	Degree of freedom	Significance Level Sig	Average difference	Confidence interval 95% of the difference	
							Lower	Superior
62	3.67	0.81	39.123	61	0.000	28.321	27.268	29.355

Source: Prepared by the researcher based on the results of SPSS

From Table No. (06) we notice that the arithmetic mean of the first axis of 3.67 is greater than the mean of the measurement tool estimated at 03 according to the five-point Likert scale and the level of statistical significance $Sig = 0.000$ is less than the degree of significance ($\alpha = 0.05$), and therefore we reject the null hypothesis and accept the alternative hypothesis that states: “**The crime of financial corruption in companies occurs in a collusive manner that is difficult to detect**”.

5-3-2- The second axis: The effectiveness of the Accounting Council in combating financial corruption after expanding its powers

The following table No. (07) shows the results of the questionnaire related to the second axis.

Table 7: Results of the questionnaire on the second axis

statements	Repetition Pourcentage	Strongly Disagree	Not agree	Neutral	Agree	Strongly Agree	Average Arithmeti	Standard deviation	Sample orientatio n
1- The Accounting Council’s oversight is a deterrent to the misuse or embezzlement of state funds after expanding its powers and scope of intervention	Rep	3	4	8	40	7	3.57	0.73	Agree
	%	4.8	6.5	12.9	64.5	11.3			
2- The Accounting Council’s oversight is not limited to the legality of disbursement of expenditures, but extends beyond it to include oversight of appropriateness	Rep	6	13	14	22	7	3.14	1.05	Neutral
	%	9.7	21	22.6	35.4	11.3			
3- The wide scope of the Accounting Council’s jurisdiction makes it sensitive and positive coverage in the field of monitoring public funds	Rep	5	8	11	28	10	3.40	0.91	Agree
	%	8.1	12.9	17.7	45.2	16.1			
4- Judges of the Accounting Council carefully review the accounts of the public accountant and the disbursing officer and consider the separation of duties	Rep	/	2	6	30	24	3.98	0.61	Agree
	%	/	3.2	9.7	48.4	38.7			
5- When any deficiency or fraud is discovered, the judges of the Accounting Council take the necessary measures and inform the relevant bodies	Rep	5	5	5	37	12	3.64	0.82	Agree
	%	8.1	8.1	8.1	59.7	19.3			
Statistical indicators and the general trend of the second axis							3.54	0.83	Agree

Source: Prepared by the researcher based on the results of SPSS

First: Analyzing the results of the second axis

The general trend for this axis was (Agree) based on the results of Table No. (07), as the sample members agree that the oversight of the Accounting Council, after expanding its powers and scope of intervention, is a deterrent to the misuse or embezzlement of state funds, and goes beyond appropriateness oversight, and that it is positive as it is based The supervisors carefully audit the accounts and take the necessary measures when they discover any defect. The arithmetic mean was 3.54, and this value belongs to the fourth of the five-point Likert scale (OK), while the standard deviation was 0.83, which indicates that there is no significant variation in the answers.

- **Regarding the first question:** We note that 75.8% of the sample agreed that the Accounting Council's oversight has become a deterrent to the misuse or embezzlement of state funds after expanding its powers and scope of intervention with the issuance of Presidential Instruction No. 03 mentioned previously, related to activating the fight against corruption, and the arithmetic mean was 3.57 and this value It belongs to the fourth of the five-point Likert scale (agree), and the standard deviation was 0.73, which indicates that there is no significant variation in the answers.

- **Regarding the second question:** The opinions of the sample members differed, as 35.4% agreed that the Accounting Board's oversight is not limited to the legality of disbursement of expenditures, but extends beyond that to include oversight of appropriateness, while 21% see the opposite, and 22.6% are neutral, and that is what made the general trend The sample is neutral, with a mean of 3.14, and a standard deviation of 1.05, which indicates the presence of variation in the answers of the sample members.

- **Regarding the third question:** We note that 61.3% of the sample agreed that the wide scope of the Accounting Council's jurisdiction makes it sensitive and positive coverage in the field of monitoring public funds, which increases its effectiveness in combating financial corruption in public institutions, and the arithmetic mean was 3.40, making the general trend For the sample, "OK." While the standard deviation was 0.91, close to 1, which indicates that there is some variation in the answers.

- **Regarding the fourth question:** We note that 82.2% of the sample agreed that the judges of the Accounting Council carefully review the accounts of the public accountant and the disbursing officer and look into the separation of duties. Here they can note the presence or absence of mutual monitoring between the disbursing officer and the public accountant, and find gaps that could Embezzlement of public funds through it. The arithmetic mean was 3.98, which led the general trend of the sample to be "OK".

- **Regarding the fifth question:** We note that 79% of the sample agreed that when any deficiency or fraud is discovered, the judges of the Accounting Council take the necessary legal measures authorized by the legislator and inform the relevant bodies to carry out the necessary investigations and bring those concerned to justice. The arithmetic mean was 3.64. The general trend of the sample is "OK.", with a standard deviation of 0.82 indicating a slight variation in the answers of the sample members.

Second: Testing the second hypothesis

Null hypothesis: The Accounting Council is an **ineffective** tool for preserving public money after expanding its supervisory powers and areas of intervention.

Alternative hypothesis: The Accounting Council is an **effective** tool for preserving public money after expanding its supervisory powers and areas of intervention.

Table 8: T-test for the second hypothesis

Sample volume	Arithmetic average	Standard deviation	T-test	Degree of freedom	Significance Level Sig	Average difference	Confidence interval 95% of the difference	
							Lower	Superior
62	3.54	0.83	38.442	61	0.0000	27.310	26.628	28.344

Source: Prepared by the researcher based on the results of SPSS

From Table No. (08) we note that the arithmetic mean for the second axis of 3.54 is greater than the mean of the measuring tool estimated at 03 according to the scale

Likert quintile and the level of statistical significance (Sig = 0.000) is less than the degree of significance (α = 0.05), and therefore we reject the null hypothesis and accept

The alternative hypothesis is that **“the Accounting Council is an effective tool for preserving public money after expanding its supervisory powers and areas of intervention.”**

5-3-3- The third axis: The role of the legal auditor as an assistant to justice in companies

The following table No. (09) shows the results of the questionnaire related to the third axis.

Table 9: Results of the questionnaire on the third axis

statements	Repetition Pourcentage	Strongly Disagree	Not agree	Neutral	Agree	Strongly Agree	Average Arithmetic	Standard deviation	Sample orientation
1- The formation of the legal auditor enables him to uncover the crimes of managers and their partners, which are usually difficult to discover except by an expert	Rep	4	4	8	36	10	3.57	0.85	Agree
	%	6.5	6.5	12.9	58	16.1			
2- The legal auditor is obligated to inform the Public Prosecutor of the misdemeanor acts he became aware of while performing his duties, otherwise he will be punished	Rep	/	3	7	29	23	3.14	0.69	Neutral
	%	/	4.8	11.3	46.8	37.1			
3- When a suspicious act is discovered, the auditor conducts the research he deems necessary to be convinced of the forensic merit of what has been discovered.	Rep	2	3	6	39	12	3.40	0.71	Agree
	%	3.2	4.8	9.7	62.9	19.4			
4- When the auditor discovers a questionable act, he must ensure that it is substantial or significant, and that it is not merely an error or forgetfulness	Rep	/	6	8	28	20	3.98	0.73	Agree
	%	/	9.7	12.9	45.2	32.2			
5- When a suspicious act is discovered, he must identify the consequences of the act	Rep	3	5	8	27	19			Agree
	%	4.8	8.1	12.9	43.6	30.6			

discovered and the target pursued, and identify the persons responsible					74.2		3.70	0.85	
6- The declaration shall not be made until the auditor has carried out all the investigations he deems appropriate to understand and control the discovered act	Rep	/	3	5	32	22	3.64	0.63	Agree
	%	/	4.8	8.1	51.6	35.5			
					87.1				
Statistical indicators and the general trend of the third axis							3.77	0.75	Agree

Source: Prepared by the researcher based on the results of SPSS

First: Analyzing the results of the third axis

The general trend for this axis was (Agree) based on the results of Table No. (09), as the sample members agree that the formation of the auditor enables him to uncover the crimes of managers and their partners, and that he is obligated to inform the public prosecutor after confirming the criminal character of the act discovered and that it is not just a mistake or Forgetting. The arithmetic mean was 3.54, and this value belongs to the fourth of the five-point Likert scale (OK), while the standard deviation was 0.83, which indicates that there is no significant variation in the answers.

- **Regarding the first question:** We note that 74.1% of the sample agreed that the formation of auditors enables them to uncover the crimes of managers and their partners, which are sometimes difficult to discover except by a specialized expert, which prompted the legislator to form auditors in the future in the specialized training institute, and the arithmetic mean was 3.56, with a general trend of “OK” for the sample, with a standard deviation of 0.85 indicating a slight variation in the answers of the sample members.

- **Regarding the second question:** We note that 83.9% of the sample agreed that the auditor is obligated to inform the Public Prosecutor of the misdemeanor acts that he became aware of during the performance of his duties, otherwise he will be punished according to the law with imprisonment and a fine, as previously mentioned, and the arithmetic mean was 3.92, with a generally “approval” trend for the sample. With a standard deviation of 0.69, which indicates that there is no noticeable variation in the answers of the sample members.

- **Regarding the third question:** We note that 82.3% of the sample agreed that when the bookkeeper discovers a questionable act, he does the research he deems necessary to be convinced of the criminal merit of what was discovered. The arithmetic mean was 3.72, generally “agreeable” for the sample, with a standard deviation of 0.71. It indicates that there is no significant variation in the answers of the sample members.

- **Regarding the fourth question:** We note that 77.4% of the sample agreed that when the bookkeeper discovers a questionable act, he must ensure that it is essential or significant, and that it is not just a mistake or forgetfulness so that no one is wronged, and the arithmetic mean was 3.80, with a general trend of “Agree.” " for the sample, with a standard deviation of 0.73 indicating that there is no significant variation in the answers of the sample members.

- **Regarding the fifth question:** We note that 74.2% of the sample agreed that when a suspicious act is discovered, one must determine the consequences of the act discovered and the pursued goal, and identify the people responsible for it. The arithmetic mean was 3.70, with a general trend of “agreeable” for the sample, with a standard deviation of 0.85 indicating a slight variation in the answers of the sample members.

- **Regarding the sixth question:** We note that 74.1% of the sample agreed that the declaration should not be made except after the auditor has carried out all the investigations that he deems appropriate to understand and control the discovered act. The arithmetic mean was 3.94, generally “agreeable” for the sample, with a standard deviation of 0.63 indicating There is no noticeable discrepancy in the answers of the sample members.

Second: Testing the third hypothesis

Null hypothesis: Obligating the legal auditor to report discovered financial crimes to the Public Prosecutor does not limit their spread

Alternative hypothesis: Obligating the legal auditor to report discovered financial crimes to the Public Prosecutor limits their spread

Table 10: T-test for the second hypothesis

Sample volume	Arithmetic average	Standard deviation	T-test	Degree of freedom	Significance Level Sig	Average difference	Confidence interval 95% of the difference	
							Lower	Superior
62	3.77	0.75	37.341	61	0.000	25.580	24.288	26.861

Source: Prepared by the researcher based on the results of SPSS

From Table No (10), we note that the arithmetic mean for the second axis of 3.77 is greater than the mean of the measurement tool estimated at 03 according to the five-point Likert scale, and the level of statistical significance ($Sig = 0.000$) is less than the degree of significance ($\alpha = 0.05$), and therefore we reject the null hypothesis and accept the alternative hypothesis, which states that “**Obligating the legal auditor to report discovered financial crimes to the Public Prosecution limits their spread**”.

7. CONCLUSION

In this research, we discussed the definition of financial corruption as deviant behavior that violates the rules and legal provisions, is intentional and premeditated, is of a secret nature to the point where it is impossible to discover, and its purpose is to achieve personal and mutual gains between several parties, negatively affecting the national economy, and to combat it, The Algerian legislator enacted several laws and created oversight mechanisms to combat it, represented by the **Accounting Council** and the **legal auditor**. The Accounting Council is specialized in monitoring public institutions that are not subject to profit, while the legal auditor is specialized in monitoring public and private economic companies, after addressing the research topics in their theoretical and applied aspects and after the great support for the overall Questionnaire statements and acceptance of the hypotheses. The following results were reached:

- Financial corruption is one of the most dangerous types of corruption because it negatively affects the national economy.
- Financial corruption in public institutions and public and private companies occurs in a collusive manner that is difficult to detect;

- The Accounting Council is considered an effective tool for protecting public funds and combating financial corruption in non-profit public institutions, especially after expanding its areas of intervention and giving it powers that allow it to achieve the monitoring objectives expected of it;
- The Algerian legislator sees in the bookkeeper an assistant to justice in the company, that is, the person who can uncover the crimes of the directors and their partners, which are sometimes difficult to discover except by a specialized expert;
- The Algerian legislator enacted several laws related to financial corruption and created mechanisms to combat it, but they were not previously able to limit its spread.
- The task of legal auditors in companies and organizations can limit the spread of the phenomenon of corruption in companies, especially after reorganization by establishing a specialized training institute to obtain a certificate of legal auditor after studying for two years, contrary to what was previously prevalent.

Recommendations:

In order to achieve the objectives of the study, it can be crowned with the following recommendations:

- Interest in increasing public awareness of the seriousness of financial corruption and the importance of combating it, instilling moral values and promoting religious awareness through multiple media, educational and cultural organs, seminars and lectures;
- The need to tighten the punishment for corruption crimes, especially the crime of bribery and embezzlement, and to amend penal laws due to the seriousness of the crimes committed, in order to limit the commission of these crimes;
- The necessity of granting broad powers to the Accounting Council and increasing the number of judges working in it so that they can carry out their supervisory tasks in the best way possible.
- The necessity of training the judges who work in the Accounting Council, especially in methods of oversight, techniques of financial and public accounting, various methods of auditing, and methods of careful investigation of the perpetrators of corruption crimes;
- Activating the role of the auditor in monitoring companies, especially with regard to informing the Public Prosecutor of misdemeanor acts he discovers while performing his mission;
- Accelerating the opening of a training institute specialized in training legal auditors and accounting experts, and conducting an admission competition in all integrity to select outstanding students to become high-level legal auditors who can uncover crimes of financial corruption in economic companies.

8. Bibliography List :

- 1- BENDAOU, I. (2012). *Financial control of public expenditures in Algerian and comparative legislation. Algeria: Dar Al-Kitab Al-Hadith.*
- 2- BOUTINE, M. (2008). *Audit and control of accounts - From theory to application. Alger: Office of University Publication*
- 3- Hadj-Sadok, T. (2007). *HADJ-SADOK, T. Role, Dilligences et Responsabilités du Commissaire Aux Comptes., Edition Dahleb, Alger - Algeria*
- 4- SADI, N., & MAZOUZ, A. (1993). *La Pratique du Commissariat Aux Comptes en Algérie. Algeria: Société Nationale de Comptabilité. Alger.*
- 5- AMJOJ, A. (2007). *The Accounting Council: Its System and Role in Oversight of Administrative Institutions. "Magistere" Faculty of Law, Constantine University1 , p : 127. Algeria*
- 6- BOUSSAIOUD, B. (2015). *Anti-corruption institutions in Algeria. " Magistere" in Political Sciences, Faculty of Law, Tizi Ouzou University , p :79*
- 7- BARBARY, M., & CRIVARD, M. (2017). *The role and importance of the internal control system in reducing the phenomenon of financial corruption - Case study of Algeria. North African Economics Journal , V 13 (N 17), p : 53 - 66.*
- 8- Bourahla, M., & Boutouba, M. (2021). *The extent of commitment of legal auditors to ethical rules and its role in revealing financial corruption – a field study. Journal of the Institute of Economic Sciences , 24 (02), p:403-425.*
- 9- Djriou, S., & Bouflih, N. (2018). *The role of good governance in reducing the phenomenon of financial and administrative corruption. Journal of Economics and Finance , V: 04 (N 02), p:120 - 130.*
- 10- HARMEL, K. (2019). *The Role of the Court of Auditors in Protecting Public Money. Voice of Law journal , V 06 (N 02), p: 410 - 450.*
- 11- KADID, A. (2018). *The Impact of Corruption on Economic Growth in the Arab Countries. Journal of North African Economies , 01 (14), 59 - 66.*
- 12- MESSAOUD, R. (2018). *The Role of Accounting Board in the protection of public money against financial corruption in Algeria. Journal of Teacher Resercher of Legal and Political Studies , V 03 (N 03), p: 565 - 578.*