
THE ROLE OF PERFORMANCE CONTROL IN EVALUATING THE EFFECTIVENESS OF GENERAL STRATEGIES

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Abstract

The research aims to demonstrate the possibility of applying International Auditing Standard (9400) in the Iraqi environment. And to reveal the most important challenges facing auditors in evaluating the effectiveness of general strategies. And to discuss and analyze the role of performance auditing in producing the information necessary to evaluate strategic performance. The research relied on the descriptive approach in presenting its theoretical framework, and on the analytical approach in its practical aspect. The research reached a set of conclusions, the most important of which is the effective role of the supreme audit institutions in evaluating public policies due to the guarantees of independence surrounding their work and the knowledge necessary for the evaluation methodology. The evaluation of public policies also greatly exceeds the measurement achieved in performance auditing, with the possibility of applying International Auditing Standard (9400) in the Iraqi environment. The research also presented a set of recommendations, the most important of which is the necessity of adopting international standards in the auditing work related to evaluating strategic performance and public policies in coordination with the auditing institutions that are members of the INTOSAI organization, and finding sufficient legal legislation to support the role of the Federal Financial Supervision Bureau in economic and administrative reform.

Keywords: Performance audit, public policies, strategic performance evaluation.

Introduction

Acting in the public interest imposes additional responsibility on SAIs, and SAIs can demonstrate their continued importance by responding appropriately to the challenges faced by citizens, the expectations of various other stakeholders, emerging risks and the changing environments in which audits and oversight are conducted. The Supreme Audit and

Accounting Institutions also work to improve the efficiency, accountability, effectiveness, and transparency of public administrations, as these factors constitute indispensable parts of any democratic system. The guidelines for evaluating public policies and strategies also seek to help the Supreme Audit Institutions achieve the objectives of the evaluation process. Through a neutral and independent analysis of the criteria that enable an assessment of the feasibility of a particular public policy, without focusing on an administrative unit itself. The first axis was devoted to the research methodology, while the second axis dealt with the theoretical aspect of the research by addressing three basic pillars of the research topic, which are as follows. Comes:

First: Monitoring the performance of complex strategic systems.

Second: Control perspectives and performance aspects.

Third: The strategic approach to performance evaluation.

While the third axis deals with the applied aspect of the research, the fourth axis is devoted to the conclusions and recommendations of the research.

The first axis

Research methodology

First: the research problem

The transition from program evaluation to public policy evaluation depends on concepts that are more broad than those used in performance auditing, and includes components that are not subject to programming, such as system initiatives and non-binding legal rules. From this standpoint, the strategic evaluation of these policies would add value to the work of SAIs. And accounting. Which emphasizes its importance by responding appropriately to the challenges faced by citizens and the expectations of various stakeholders, emerging risks and the changing environments in which oversight and auditing operations take place, and contributing to improving the management of public funds while taking into account the principle of independence. Strategic evaluation represents an activity with a broader scope because it includes different types of control, including performance monitoring. Based on the above, the research problem revolves around the following questions:

- 1- Can the International Auditing Standard (9400) (Guidelines for Evaluating Public Policies) be applied by auditors in the Iraqi environment?
- 2- Does evaluating the effectiveness of general strategies require a new type of oversight?

Second: The importance of research

Evaluating public strategies and policies has become more important within the public debate of INTOSAI, especially assessing the value of these policies in terms of their goals, methods of implementing them on the ground, and their economic and social results and impacts. If monitoring the economy, efficiency and effectiveness are at the core of the concerns of performance monitoring, then when it comes to the strategic evaluation of public policies, the most prominent goal remains to estimate the general impact of public policy in the short and long term, which often requires the impact of other policies in the field in question to estimate the relevance of this Politics.

Third: Research objectives

The research seeks to achieve the following goals:

- 1- Explaining the possibility of applying the International Auditing Standard (9400) (Guidelines for Evaluating Public Policies) in the Iraqi environment.
- 2- Revealing the most important challenges facing auditors in evaluating the effectiveness of general strategies.
- 3- Explaining the possibility of performance monitoring in producing the information necessary to evaluate strategic performance.

Fourth: Research hypothesis

Evaluating the effectiveness of general strategies requires replacing the traditional method with the modern method of performance auditing, which contributes to alleviating the difficulties facing auditors and applying the International Auditing Standard (9400) (Guidelines for Evaluating Public Policies) in the Iraqi environment.

Fifth: Research methodology

The research relies on the descriptive approach in presenting its theoretical framework, relying on scientific sources that addressed the research topic, including books, dissertations, university dissertations, research, and periodicals. The research also relies on the analytical approach in its applied aspect, as the third axis was devoted to it through analyzing a sample of performance oversight reports implemented on the plans and policies of the Ministry of Oil, in addition to studying and analyzing the plan of the Federal Office of Financial Supervision (2023-2027).

The second axis

The theoretical aspect of research

First: Monitoring the performance of complex strategic systems

Capital markets rely on reliable information about organizations. This information provides the basis for making many types of decisions, including investment and lending decisions. Not obtaining this information means losing investor confidence in these markets, making bad decisions, and losing a large amount of money. The external audit profession helps enhance the reliability of information throughout the capital markets. External auditors are responsible for making professional and ethical judgments about the information provided by business organizations. These professional judgments and the processes for issuing them are crucial to the benefit of the external audit profession and auditors alike as they conduct high-quality audits (Jonstone & Others, 2014: 3). The economic unit is also part of a broader society that it affects and is affected by, and society has the right to be informed of its activities, the results of its work, and the extent of its contribution to meeting its needs and achieving social welfare. The development in the size of the units and the accompanying complexities in the business environment has been reflected in the performance of these units by revealing information that may be inconsistent with their real situation, which makes them appear better in front of the relevant parties. Therefore, there has become an urgent need for the necessity of having a neutral party with high qualifications that can

enable them to Judging the accuracy of the information and the efficiency of the administration's performance of the tasks and tasks entrusted to it (Al-Jourani , 2010: 11). The auditing profession has gradually developed through social acceptance, as society accepts or rejects the role a professional group assumes for itself, at a time when that group either finds an acceptable role in society or disappears. As environmental conditions and public needs change, society may reject roles that were previously acceptable, and therefore professional groups should be constantly alert to review and modify this role . , 2008: 7 (Heang & Ali . The development of the auditing profession over time, as well as its original appearance, is linked to its essential characteristics and basic characteristics, which distinguish it from other professions. The nature of auditing also expresses the organizational impact on the auditing profession, its priorities, functions and various roles, including the paths leading to those roles. All of this is reflected in protecting the common interests of different categories of interested parties (Liu, 2015, 1) . Anyone who follows the history of the development of the external auditing profession in many countries of the world finds that it has grown and developed in light of the idea of separation of ownership from management due to the need of the establishment's owners. An independent professional opinion on the adequacy of the establishment's management in using its available resources. As a result of the development of economic activities, the multiplicity of their fields, and the diversity of the legal forms of the units, the goal of the audit has become more general and broader, which has necessitated development in its procedures and means of communicating its results to the beneficiaries, while the goal of the audit in its early stages was preventive and limited In discovering errors, fraud and manipulation (Badr, 2009: 30).

In general, the auditing profession has developed over four generations, and the transition from one approach to another reflects the views of the auditing profession about the goal of auditing, and the method through which that goal can be achieved. The first generation of auditing was characterized by detailed examination of records (Abdullatif & Al Khadash , 2010: 3) . Since its emergence in the nineteenth century, the auditing profession has focused on taking care of the custody of assets, as profitability was not a source of concern at that time. Then the emergence of joint-stock companies in the early twentieth century led to the growth of capital markets, as a result of investors' interest in future profits more than taking care of the trust, and thus the role of accounting and auditing changed towards measuring and verifying the financial results of companies, after profits became a basis for estimating and forecasting stock values (Knechel , 2001: 9) . Then, we gradually moved to the statistical sampling method and developed the audit risk model, which was commonly used at the beginning of the eighties of the last century (Abdullatif & Al Khadash, 2010: 4). After the complexity of the knowledge-based economy, and the problems facing the profession in the mid-nineties, which prompted auditors to search for a new and more valuable model for their services, in light of the investors' need to know the company's ability to continue in the long term, the focus of accounting and auditing shifted to the scope of current risks. And the future, and the efficiency of the unit in managing those risks, through strategic planning and control (Knechel, 2001: 9-10). Consequently, the rapid changes in the business environment led to the imposition of fundamental changes in the audit methodology in terms

of planning the priorities and topics that the auditor addresses, and the powers to access the related evidence and evidence, which required the auditor to understand the work of the unit under audit within a broader framework than traditional topics, especially analyzing And evaluating operational processes to reach conclusions related to the effectiveness and continuity of these processes through the use of many methods and techniques, especially the business risk-based audit approach that was developed by the largest auditing companies at the time (Odeh, 2011: 29)

The role of the Supreme Financial Supervision also expanded according to the development of public money management, as in its early stages it was concerned with accounting and legal oversight, which is concerned with ensuring the soundness of the procedures applied by the government to preserve public funds and ensuring their compliance with applicable laws and instructions, while the scope of oversight expanded to include performance oversight represented by In evaluating the efficiency of organizing activities and their effectiveness in achieving goals (Sawalha et al., 2013: 288). With the beginning of the twenty-first century, the ideas of New Public Management (NPM) accelerated, focusing on the role of participation and maximizing the value of public services. Thus, the strategic approach to public administration is compatible with the policies of consultation and democratic understanding, public participation, information sharing, and empowering managers to make democratic decisions and formulate strategies. Public (Johanson et al, 2019:7) . The wave of new public management has helped to increasingly pay attention to measuring the strategic performance of units, as the information that is developed, through the traditional framework for measuring performance, is described as insufficient or inefficient, due to its focus on financial, historical, and short-term performance, and thus weakness. Its predictive ability for future performance, as well as its focus on jobs and its neglect of the operational processes for performing those jobs (Ruzita et al, 2012: 42-43) . The scarcity of resources also requires the formulation of more rational strategies, formulated according to scientific foundations to distribute public expenditures and reach the full value of the depleted cash. After government functions were limited to preserving the law and official orders, government functions expanded to consolidate its effective role in comprehensive development, and thus this was reflected in an increase The volume of public spending is largely due to the expansion of the scope of government activities and the multiplication of its roles (Daujotaite & Macerinskiene , 2008: 79) . The rapid changes in the business environment have imposed fundamental changes in the methodology and structure of the audit process. These changes included a number of aspects related to audit plans, topics, and priorities, in addition to the relationships that establish the audit risk model, the powers to obtain evidence, and establish responsibilities (Abbas, 2021: 41)

The International Standards for Supreme Audit Institutions (ISSAIs) emphasize the strength of SAIs' connection with citizens, parliament, and stakeholders, by responding appropriately to changing environments and emerging risks. As a trusted source of independent and objective insight, SAIs should contribute to supporting meaningful change in the public sector, the debate on improving the performance of its units, and use their knowledge and insights to advocate for public sector reforms and then become an active partner in the audit profession locally and internationally. To bring about constructive

change, it must adopt a good understanding of broader environmental developments, and conduct a meaningful dialogue with stakeholders about how it can operate in a way that facilitates the process of upgrading the public sector without compromising its independence, by responding to key issues affecting society (INTOSAI_ 12, 2019). :10-11) . International standards also emphasize that the contribution of SAIs to the democratic debate should remain neutral and based on facts based on objective analysis and issuing appropriate recommendations. Their role is determined by independent evaluation of the economic and social objectives and impacts of public policies, and not entering into political debate. INTOSAI_ 9020, 2019 :11)

Second: Control perspectives and performance aspects

There are many different theories that explain the demand for audit services. The policeman theory holds that the auditor is responsible for searching for, discovering and preventing fraud, and this was the case in the early twentieth century. Later, the auditors' focus became focused on providing reasonable assurances and verifying the validity and fairness of the financial statements, which is what external auditors focus on. However, fraud detection remains a hot topic in the debate about auditor responsibilities (Akari , 2018: 3).

From a financial and accounting perspective, auditing means means of examining accounts, and is described as examination methods aimed at expressing an opinion on the fairness of the financial statements of the economic unit submitted to interested parties, in accordance with generally accepted accounting principles, as it bases its interpretation of the nature of auditing on auditing methods and techniques, and derives the concept of auditing from An institutional point of view based on its traditional function (Liu, 2015: 2). According to the leading credibility theory, the primary function of auditing is to add credibility to the financial statements. The services that auditors sell to customers are credibility. The audited financial statements are viewed as containing elements It increases the confidence of users of these lists in the numbers provided by management. Thus, the benefit of users increases as the reliability of the financial statements increases, as the quality of investment decisions improves when they are based on reliable information (Akari , 2018: 3). It is also noted that auditing institutions are primarily employed to correct Financial accounting operations resulting from the various economic transactions of the unit, and this explains the influence of traditional theory on a large scale until the present time, even if it is limited to explaining the nature of financial auditing. According to it, auditing, in its broadest dimensions, is to protect against accounting errors and financial violations and to correct their effects. It neglects the roles of auditing in economic and social development, public policies, governance , and the legal structure of the state, and retreats before explaining the nature of performance auditing, environmental auditing, resource auditing, and simultaneous auditing of the implementation of public policies, for all of these Species cannot be described as merely checking accounts (Liu, 2015:3) . Also, focusing on accounting processes in auditing is insufficient in light of the complexity of the business environment, and in light of the integrated approach to auditing, protection from shadowing does not only mean against the risks of accounting errors, but must also include monitoring strategic performance, which could affect Fair representation of financial statements 2014: 14-15) (Arens et al, . Inspired

trust theory (rational expectation theory) also addresses both demand and supply for audit services. The demand for audit services is a direct result of the involvement of third parties (stakeholders) who demand accountability from management in exchange for their investment in the organization. This accountability is achieved through the issuance of a periodic financial report. Since this information provided by management may be biased and external parties have no direct means of monitoring the audit process required to ensure it (Akari , 2018: 3)

From the legal and political perspective, auditing derives its concept from the spirit of the law, and is accordingly a mechanism for controlling the use of power and its balance between the legislative and the executive, and aims to monitor the authority and powers granted and protect them from misuse, which indicates that auditing is rather a process of restricting one authority to another by assuming It is possible that all those in power will abuse their powers granted by law, and they can only be prevented from doing so by restricting them, meaning that protection from abuse of power is only achieved through the law, which determines power by the power itself. According to this theory, auditing derives its nature from the political and social perspective, not just the economic one (Liu, 2015:5) . In addition to their interest in the veracity of the financial statements, government units are concerned with adhering to applicable laws and regulations to a large extent due to the close connection between the financial basis and the legal basis. Accountability for the use of the authority granted to dispose of public resources represents the focus of attention in the oversight operations of those units. In addition to financial auditing, it includes Compliance auditing is all processes aimed at verifying units' compliance with laws, regulatory rules, and procedures specified by a higher authority (Wilson, 2010: 501.)

The economic unit is also viewed as a complex network of relationships linking diverse groups of beneficiaries (suppliers, lenders, investors, customers, and employees), each of whom makes some kind of contribution to the company in exchange for a certain price. The management's mission is to coordinate the interests of these groups and try to maximize them. It is obligated to preserve the company's resources and act in the interests of these parties. Management may deviate from the main objectives of the company, and to control this, external auditors are appointed for the benefit of third parties as well as management (4- Akari , 2018: 3). According to the agency theory , the owners intend to maximize their personal interests , and as long as the agent also intends to maximize his personal interests, a conflict of interests arises between these two parties, which necessitates the presence of an independent supervisory body for the purpose of verifying the agent's performance and the feasibility of his decisions in managing the principal's resources, as well as ensuring the The honesty and fairness of the financial position and the nature of the business through the information provided by management (Heang & Ali, 2008: 15).

From an economic perspective, auditing is an economic monitoring activity carried out to evaluate the efficiency and effectiveness of the use of resources, and aims to monitor the state's overall economy, as the agency economy emerging from the separation of ownership from management forms the basis for auditing. Parliament owns public economic resources, representing the general community, while public managers act as agents who bear responsibility for using and controlling those resources. Thus, this theory is based on the

assumption that the principal must hold the agent accountable periodically, relying on independent auditors to evaluate the efficiency of executive departments in disposing of public resources (Alwardat). & Basheikh , 2017: 147) . From this perspective, the audit function extends beyond compliance with accounting standards and compliance with applicable laws to the constructive economic role of evaluating the performance of public units, achieving the state's financial policy, improving macroeconomic oversight, and directing economic behavior (Liu, 2015: 3-4. .(

From a social and democratic perspective, auditing aims to achieve the well-being of societies and derives its concept from the social contract theory. The organization is the part that must contribute to the well-being of the whole, which is society, and the presence of auditing is necessary to verify this contribution (Heang & Ali, 2008: 7) . The modern role of auditing aspires to actively contribute to the stability and growth of countries in accordance with the goals of the United Nations, balancing the benefits and interests of individuals, groups and the general community, and building a society with harmonious rights. Supreme Audit Institutions (SAIs) have become more necessary than before After the expansion of the state's role to the integrated development of economic, social and environmental activities, through the effective and appropriate use of public funds, sound financial management, correct implementation of administrative activities, and communication of information to public authorities and the general community (INTOSAI_1, 2019:5-6)

The evaluation of public strategies and policies is also concerned with the extent to which the objectives of a particular policy are compatible with the economic, social and environmental needs behind its adoption on the one hand, and the effectiveness of that policy in satisfying the needs it seeks to meet on the other hand. Also, the evaluation of public policies does not stop at pre-determined objectives, which allows audit units to go so far as to criticize those objectives to help the policy makers follow up, evaluate them, or abandon them, relying on certain evidence (INTOSAI_ 9020, 2019: 10-11). (Accordingly , auditing, in its modern and broader sense, is considered complementary to democratic governance, by emphasizing the implementation of fair development policies, revealing the problems that accompany their implementation, and providing them as feedback, which amounts to continuous improvement of those policies (Liu, 2015:5-6) . International standards for supreme audit and accounting institutions (ISSAIs) also emphasize making a difference in the lives of citizens. And enhancing the role of SAIs in addressing global issues through building competencies and knowledge exchange, international cooperation within the organization and with other relevant organizations, adopting a strategy for professional development, to support the supply of outputs, benefiting from the work of counterpart agencies and regional working groups, and striving seriously to cooperate with... The broader auditing profession (INTOSAI_12,2019:14-16) . In addition to their traditional role, audit units now aim to address major issues related to the public interest. The auditing profession also seeks to ensure that it enjoys a good reputation and produces high-quality products that meet its standards. In addition to assurance services, the role of the auditor has expanded to that of a management consultant, which aims to improve Public administration (Mayne & Ontario, 2006: 18-19).

Third: The strategic approach to performance evaluation.

The purpose of performance auditing is to ensure that programs and units operate in accordance with the principles of economy, efficiency and effectiveness, and whether there is room for improvement. Performance is examined against appropriate standards, and performance problems and reasons for deviation from those standards are analysed (INTOSI_ 100, 2019:11) . The principle of economics means reducing resource costs, and resources must be available at the necessary time, in the appropriate quantity and quality, and at the best prices. While the principle of efficiency means exploiting available resources to the maximum extent possible, and refers to the relationship between the resources used and the resulting outputs in terms of quantity, quality and time. While the principle of effectiveness means achieving specific goals and desired results (ISSAI 300 , 2019:7) . Performance monitoring is also based on ensuring, independently, objectively and reliably, that projects, systems, processes, programmes, activities or bodies from the public sector are proceeding in accordance with the principles of economy, efficiency and effectiveness, in addition to proposing possible improvements (INTOSAI GOV 9400, 2016, 2). Performance monitoring seeks to provide new information, analysis, or insights, and recommendations for improvement when appropriate, and provides new knowledge or value through the following (ISSAI 300 , 2019:6:)

Wider or deeper analysis or new perspectives.

- 1- Enabling different stakeholders to have better access to current information.
- 2- Providing an independent and official opinion or conclusion based on audit evidence.
- 3- Providing recommendations based on the analysis of audit results.

It is noteworthy that the functions and roles of performance auditing have changed and developed over the years. The first practices of performance auditing appeared shortly before the 1960s, then appeared as a separate practice since the end of the 1970s, and spread widely during the 1980s due to many factors, especially the growth of programs. government, and support public policy makers in their oversight role (Daujotaite & Macerinskiene , 2008: 78) . Since the beginning of the current century, public sector administrations have faced continuous pressure at the global level to establish new measurement strategies to strengthen their comprehensive performance and gain public confidence. The increasing interest in performance has led to greater reliance on external auditing as a mechanism to improve accountability and oversight (Alwardat & Basheikh , 2017: 145).

Strategic performance auditing is defined as the method that reflects the strategic position of the economic unit through internal and external auditing. Strategic performance is also described as “performance that achieves a cumulative and comprehensive knowledge building that reflects the organization’s level of success and its ability to grow, continue, and adapt to the environment, represented by performance standards and standards deduced from the mission.” The unit, its strategic goals, and its various programs” (Garza, 2013: 25) . Strategic performance is also known as: “ Translating strategic plans into results, and helping managers respond quickly and effectively to unexpected changes . ” It also expresses the unit’s ability to achieve its goals and objectives, as goals and objectives differ according to the strategic orientations of the units, the visions of their administrations, and

the movement of their environment (Odeh, 2011: 28) . The strategy is also described as the unit's business model and the administrative methods necessary to achieve its goals. It is the guide for implementing the unit's goals and pursuing its mission. Strategy making revolves around how to reach the target performance, maintain the unit's competitive advantage, overcome competitors, and enhance the long-term competitive position (Wheelen & Hunger, 2012: 20) . The strategy expresses the general vision that the unit seeks to achieve, through clarity of vision, definition of the message, and building goals and objectives based on awareness of multiple influence factors. While strategic management is defined as the process The integrated unit that enables the unit to set goals and make strategic decisions, in order to achieve its mission for which it was established, that is, it includes the unit's mission and objectives, and the policies and methods necessary to implement, follow up and monitor the strategy, in light of environmental capabilities and variables (Abbas, 2021: 38).

Therefore , most strategic performance audit tasks focus on the systems and procedures used by management to achieve the unit's objectives. Confirming the validity of these systems and procedures will help ensure good management, and thus better achieve goals (Mayne & Ontario, 2006: 15). Important reforms in government units also stem from the state's responsibility for a wide range of organizational services and tasks, and measuring their effectiveness in ways that allow Citizens, managers, and legislators can make meaningful decisions about increasingly complex state activities, and therefore strategic performance information is one of the pillars of the modern state (ANAO, 2009:1) . Public policies for protection and social development are also an additional topic in performance audits, or as an enhancement to effectiveness Therefore, some SAIs add a fourth principle , which is fairness, in addition to economy, efficiency, and effectiveness, which means that every person should be able to exercise his or her civil rights, which include freedom of expression, access to information, freedom to vote, and gender equality, in addition to other political and social rights. Such as health, education, housing, and safety (INTOSAI_ 3910, 2019: 22).

Strategic control represents the final element in the strategic management process, and is described as the process through which the unit's activities and performance results are monitored, and the weaknesses of previously implemented strategies and plans are identified, thus stimulating the entire strategic management process to begin again (Wheelen & Hunger, 2012: 22) . The clear definition of the targeted results of government programs, the analysis and development of strategic plans, the distribution of programs, implementation and organization, and internal operations, are all essential areas within the value chain of those programs, and auditing strategic performance helps to show the extent to which the programs' performance matches the general strategic plans, and improve The quality of the resulting information, as well as the transparency of financial management (Mackay, 2011: 23-24) . Considering the feasibility of a particular policy requires measuring its direct effects, taking into account the costs of this policy. The ability to measure economic and social effects remains an important element in evaluating public policies. The effects can be evaluated quantitatively or qualitatively, and measurement is often considered a complex process of The technical aspect requires greater efforts. Therefore, a distinction must be made between "results" and "impacts". Direct, immediate or short-term impacts

affecting direct beneficiaries are considered “results”. While the late effects or those that occur in the medium or long term and reach people other than the direct beneficiaries are considered “economic and social effects” (INTOSAI GOV 9400, 2016: 11).

Results-oriented public administration also requires developing the capabilities of units and preparing for the strategic management process, and a central management process that integrates all activities and functions and directs them towards achieving the strategic agenda or programs (Andrews et al, 2012:10) . Renewal initiatives in the public sector, especially in the United Kingdom and the United States of America in the 1990s, led to interest in adopting long-term strategic goals (Genc & Sengu , 2015: 58). The essence of New Public Management (NPM) is centered on encouraging public and governmental units to benefit from the advantages of strategic planning, and implementing strategies by empowering the units and granting them the necessary authority for that, leading those units to their goals, managing based on performance, following the system approach, and having those units be directed and driven by its mission (Alford & Greve , 2017: 4-5) . SAIs have appropriate experience in administrative reform, and constructively assist government departments and units in improving their performance. Comprehensive for the benefit of the beneficiary citizens and taxpayers, and therefore it plays a central role in activating the strategic management process, in developed countries such as Canada, Britain, and Australia (Gendron , et al, 2007: 102).

Strategic performance auditing enhances auditors’ knowledge in dealing with the client’s complex systems, and is an improvement to the traditional approach. It also contributes to improving the efficiency and effectiveness of the audit process, by applying the comprehensive perspective of the (top-down) model, which focuses on understanding and evaluating the client’s strategy, and determining the extent to which The presence of risks that threaten the achievement of the unit’s strategic objectives (Ballou et al, 2004:74). It has other advantages, especially enhancing decision-making, by focusing on the most important risks. Therefore, the strategic audit approach better meets the needs of stakeholders and achieves high-quality audits, especially if it is combined with better knowledge from auditors in the field of strategic management, business processes and models (Abdullatif & Al Khadash , 2010: 3-4) . The strategic approach to auditing is also characterized by many characteristics, the most important of which are the following: Karim et al, 2020: 2559:

- 1- Analysis of business strategies and management system.
- 2- Reducing strategic risks.
- 3- Analyzing internal operations and their relationship to the general strategy

By developing a comprehensive understanding of the business model and operations, auditors can analyze external risk, represented by risks that threaten the achievement of strategic objectives, the effectiveness of risk management, and information management. Analysis of internal risk, represented by the degree of consistency of internal operations with strategic objectives, and the risks that threaten the efficiency and effectiveness of internal operations, especially the effectiveness of strategic control (Knechel, 2001: 124_125).

The third axis

The applied aspect of research

The Federal Financial Supervision Bureau represents the supreme body for financial oversight and accounting in the Republic of Iraq. By conducting a self-evaluation of its activity, it relies on the methodology of the Framework for Measuring the Performance of Supreme Audit Institutions issued by INTOSAI in the year (2016), as this framework was developed to support SAIs in their endeavors to achieve the objectives of the international standard (12) on the value and benefits of SAIs - Making a Difference In the lives of citizens. The strategic planning process demonstrated the results of stakeholder analysis in the Federal Financial Supervision Bureau's endeavor to provide effective support and adopt more realistic expectations about what can be achieved, form more honest and productive relationships with the government, audited departments, and development partners, and strengthen its position as an exemplary institution.

Stakeholders, as persons or groups who can influence or be affected by the work of the Bureau, have been classified into major stakeholders and secondary stakeholders according to the two dimensions of authority and interest, by giving a score to each of the two dimensions and to each stakeholder by adopting a criterion (1-10) and as shown in the table. following:

Table (1) Classification of stakeholders

| interest | Authority | Stakeholders | T |
|-----------------|------------------|--|-----------|
| 9 | 10 | Legislative authority (House of Representatives) | 1 |
| 6 | 8 | Executive authority (bodies subject to oversight) | 2 |
| 6 | 4 | Civil society organizations, federations, associations and unions | 3 |
| 10 | 9 | judiciary | 4 |
| 10 | 4 | Academic institutions | 5 |
| 8 | 5 | Professional institutions | 6 |
| 8 | 6 | Citizens | 7 |
| 6 | 4 | Business sector | 8 |
| 9 | 6 | Media | 9 |
| 9 | 8 | Employees in the office | 10 |

Source: Prepared by the researcher based on the strategic plan of the Federal Bureau of Financial Supervision for the period (2023-2027), p. 13.

The vision of the Federal Financial Supervision Bureau is "professionalism and sustainable excellence in oversight work in accordance with international standards and a pioneering role in enhancing integrity in the public sector." It represents the future goal that the Bureau seeks to achieve in the medium and long term in terms of the quality of oversight performance and the Bureau's role in reducing the phenomenon of corruption and enhancing accountability. And transparency in Iraqi society leading to achieving good governance. The strategic objectives also represent the basics that the Bureau seeks to achieve during the period of the strategic plan to achieve the vision and enhance values through implementing

the Bureau's mission in order to make a difference in the lives of citizens. These objectives are as follows:

- 1- Achieving values and benefits and making a difference in the lives of citizens.
- 2- Access to an institution that can be emulated at the local and international levels.
- 3- Implementing effective oversight tasks to support the United Nations 2030 Plan and auditing the sustainable development goals.

The Bureau seeks to complete documented supervisory work in accordance with the standards of the supreme financial oversight and accounting institutions, based on Articles (3 and 4) of the Federal Financial Supervision Bureau Law No. (31) of 2011, as amended, as the Bureau, in accordance with Article (6) of its law, monitors and audits the accounts of the entities' activities. subject to its supervision, verifying the proper disposal of public funds, and the effectiveness of implementing laws, regulations and instructions. It also monitors the performance evaluation to verify the efficiency and effectiveness of public spending. Providing technical assistance in the accounting, control and administrative fields. In addition to evaluating the financial and macroeconomic plans and policies established to achieve the state's planned goals and adherence to them. The strategic plan of the Federal Financial Supervision Bureau for the period (2023-2027) aimed to achieve two impacts in Iraqi society, which are as follows:

- 1- Supporting the United Nations 2030 Agenda and implementing the sustainable development goals.
- 2- Promoting integrity, transparency and accountability in the public sector to support the government programme .

Checklist

The independent variable is performance monitoring, while the dependent variable is the evaluation of general strategies. The research relied on the use of the checklist as a tool for collecting and analyzing data on the practical side. The list included (9) standard questions to evaluate strategic performance, and determine the degree of their application by examining a sample of performance control reports issued by the Federal Office of Financial Supervision implementing the plans and policies of the Ministry of Oil. Evaluating general government strategies requires the external auditor to examine strategic performance indicators, by answering the following audit questions:

- 1- Was the strategic plan formulated according to statistics showing the actual need and the number of beneficiaries?
- 2- Have the general strategies been formulated in the form of scheduled and measurable plans?
- 3- Does the current plan take into account the impact of other policies and plans in the area in question?
- 4- Have appropriate performance metrics been set to measure the degree to which the planned objectives are measured?
- 5- What is the percentage of goals actually achieved?
- 6- What are the reasons and points of failure that led to the deviation of the plan or delay in achievement?

- 7- What is the effectiveness of the strategic control system in diagnosing and addressing failure points in implementation?
- 8- Are the products or services provided conformity to the specific specifications and quality conditions checked?
- 9- Are possible improvements suggested in light of the audit results?

Independent variable

X1 : Results of the specialized performance oversight work on Dhi Qar Oil Company's activities in developing foreign potential fields.

X2 : The results of specialized performance control work on the activities of the Dhi Qar Oil Company in developing the fields of national effort.

X3 : Evaluating the performance of the Ministry of Oil's policy in modifying brick production plants to operate on gas.

X4 : Results of the specialized performance control work on the activities of the Ministry of Oil in maximizing gas oil production.

X5 : Results of the specialized supervision and audit work on the crude oil pumping station (PS3) at the Basra Oil Company.

X6 : The results of the specialized control and auditing work to audit and check the gas systems equipped for cars in the gas filling company.

To express the results of the process of examining the aforementioned reports, a three-way Likert scale was used, where a rank (3) indicates the application of the question in question, while a rank (2) expresses the presence of application to some extent, while a rank (1) indicates a lack of application. .

Table (2) Results of examining audit questions

| Y | | | | | | | | | X |
|----|----|----|----|----|----|----|----|----|----|
| Y9 | Y8 | Y7 | Y6 | Y5 | Y4 | Y3 | Y2 | Y1 | |
| 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | X1 |
| 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | X2 |
| 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | X3 |
| 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | X4 |
| 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | X5 |
| 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | X6 |
| 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | X7 |
| 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | X8 |
| 3 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 2 | X9 |

Fourth axis

Conclusions and recommendations

First: Conclusions

- 1- Supreme audit institutions have an effective role in evaluating public policies because of the guarantees of independence that surround their work and knowledge of the necessary knowledge of evaluation methodology. The role of these bodies may be limited to

examining the evaluation completed by the ministries or public departments concerned when those departments undertake the evaluation of their policies and programs.

2- The evaluation of public strategies and policies aims to estimate the value of these strategies in terms of their objectives, implementation methods, and economic and social results, as well as measuring the level of performance.

3- The importance of general strategic plans is determined by the size of the amounts allocated to them, the number and importance of the beneficiary parties, the degree of complexity of the relationship between them, the expected impact on the beneficiaries, the possibility of evaluating the resulting effects, and their relative importance to the general community.

4- Public policy evaluation is characterized by measuring the economic and social impacts in the medium and long term, and it greatly exceeds the measurement done in performance auditing. Therefore, distinguishing between results and impacts is necessary, and one of the basic difficulties facing auditors in evaluation.

5- The results also showed the possibility of applying the International Auditing Standard (9400) (Guidelines for Evaluating Public Policies) in the Iraqi environment, with the Federal Audit Office insisting in its strategic plan (2023-2027) on improving the process of evaluating public strategies and overcoming difficulties, especially those related to evaluating effectiveness. .

6- Controlling general strategies requires examining and evaluating the operations of the unit affected by the strategic management process, or one of its aspects, and a broader diagnosis of the risks surrounding the process of strategic planning, implementation, and strategic control to reach the final results. By using the modern approach to auditing (top-down)

Second: Recommendations

1- The need to adopt international standards in the oversight work to evaluate strategies and public policies, with the need to coordinate with the regulatory bodies that are members of INTOSAI , and to support beneficial change in the departments subject to oversight by adopting a system to evaluate strategic and operational risks.

2- Evaluating public policies and supporting economic and administrative reform requires the presence of sufficient legal legislation to support the work of the Federal Financial Supervision Bureau, its financial and administrative independence, and strengthening the Bureau's budget. With the need for parliamentary committees to follow up on the recommendations contained in performance oversight reports.

3- Working to adopt continuous training and development programmes, introducing the national strategic goals and plans for comprehensive development, and the complex relationships between the economic, social and environmental aspects of public policies, with the necessity of developing an integrated supervisory action plan and identifying the entities subject to supervision.

4- It is necessary to do more work to develop the capabilities of the Federal Financial Supervision Bureau to evaluate the results and effects of strategies and public policies , with an emphasis on examining strategic oversight processes in public administrations,

evaluating their effectiveness in controlling performance management and internal operations, and providing the strategic planning process with the necessary information.

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