

The Contribution of Internal Governance Mechanisms of Economic Institutions in Reducing the Scale of Administrative Corruption

Bachiri Abdelaalim ¹, Meddah Abdelbassit ²

1. University Mohammed Boudiaf m'sila- Algeria, aalim28msila@gmail.com

2. University Alger 3- Algeria , meddah.abdelbasset@univ-alger3.dz

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Abstract:

This study aimed to confirm the insatiable relationship between the application of internal governance mechanisms (board of directors, internal audit, disclosure and transparency) and to reduce the volume of administrative corruption, and to confirm the insatiable relationship, where regression models were used as the questionnaire was relied upon as a data collection tool analysed by SPSS V26.

The study found that there is a statistically significant relationship between the application of internal governance mechanisms for economic institutions and the reduction of the volume of administrative corruption at a moral level ($P \leq 0.05$), and that the contribution of the application of internal governance mechanisms to economic institutions and the reduction of the volume of administrative corruption is estimated at 95.41%.

Keywords: Governance ,Internal governance mechanisms, administrative corruption.

JEL Classification : D73, G34, M41, M42.

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Introduction:

Large companies have experienced many financial and economic crises, which sometimes led to their collapse, as a result of the extent of financial, administrative and accounting corruption within these companies, which made countries try to adopt corporate governance to avoid these crises in the future.

The phenomenon of administrative corruption is considered a real dilemma for the development of the company and ensuring its continuity, due to the obstacles it places in the way of achieving

The Contribution of Internal Governance Mechanisms of Economic Institutions in Reducing the Scale of Administrative Corruption

the set goals, so corporate governance has created a set of internal and external mechanisms that allow for mitigating and limiting the extent of administrative corruption.

It can be considered that the internal governance mechanisms of economic institutions are the ones that contribute greatly to reducing the extent of administrative corruption within economic companies, considering that administrative corruption is an internal defect widespread within the institution.

The problem:

To what extent do the internal governance mechanisms of economic institutions contribute to reducing the extent of administrative corruption.

Importance of the research:

The scientific importance of the research is to study the relationship between the application of internal governance mechanisms of economic institutions represented by the Board of Directors mechanism, the internal audit mechanism, the disclosure and transparency mechanism, and reducing the size of administrative corruption in economic institutions. The practical importance of the research is to increase the size of administrative corruption within economic institutions, whether privately owned or state-owned, and its negative effects on institutions on the one hand, and on the national economy on the other hand.

Research objectives:

- Identify administrative corruption;
- Identify internal governance mechanisms;
- Know the impact of applying the Board of Directors mechanism in reducing the size of administrative corruption;
- Know the impact of applying the internal audit mechanism in reducing the size of administrative corruption,
- Know the impact of applying the disclosure and transparency mechanism in reducing the size of administrative corruption.

Research hypotheses:

To achieve the research objectives, the following hypotheses were formulated:

- Hypothesis 1: There is a direct relationship between applying the internal governance mechanisms of economic institutions and reducing the size of administrative corruption;

The Contribution of Internal Governance Mechanisms of Economic Institutions in Reducing the Scale of Administrative Corruption

- Hypothesis 2: There is a direct relationship between applying the Board of Directors mechanism and reducing the size of administrative corruption;
- The third hypothesis: There is a direct relationship between the application of the internal audit mechanism and the reduction of the size of administrative corruption;
- The third hypothesis: There is a direct relationship between the application of the disclosure and transparency mechanism and the reduction of the size of administrative corruption.

Research variables:

Research Methodology:

In order to understand the aspects of the subject and address the problem of the study, the descriptive analytical approach will be relied upon to identify the basic concepts of administrative corruption, and also through a presentation of the internal governance mechanisms of economic institutions and their relationship to the extent of administrative corruption, and an extrapolation of previous studies related to the research problem, and for this purpose the questionnaire tool will be relied upon to collect information from the sample to describe and measure the variables, then infer the results and know the various relationships between the variables.

Research Limits:

- Spatial Limits: Accounting professionals in the state of M'Sila (Algeria).
- Temporal Limits: 2022 AD.

Study Sample:

Previous studies:

- Study by Weam Malah, 2019, entitled The Role of Internal Governance Mechanisms in Reducing the Practice of Creative Accounting, where this study aimed to identify the extent of the impact of internal governance mechanisms in reducing the negative effects of practicing creative accounting, where the study found an inverse and statistically significant relationship between internal governance mechanisms and reducing the practice of creative accounting;
- Study by Qadri Ahmed Maraj and Khalidi Zahra, 2019, entitled The Role of Internal Governance Mechanisms in Achieving the Quality of Accounting Information, where this study aimed to highlight the contributions of corporate governance in achieving the quality of accounting information through the use of internal governance mechanisms, and the study found a close relationship between corporate governance and accounting information and its quality level through corporate governance mechanisms.

- A study by Lakhdar Larous 2017, entitled The Role of Corporate Governance Mechanisms in Combating Financial and Accounting Fraud in Algerian Economic Institutions, where this study aimed to analyze the role of corporate governance mechanisms in combating financial and accounting fraud, and the study concluded that there is a statistically significant relationship between corporate governance mechanisms and combating financial and accounting fraud.

It is clear from the above that previous studies addressed the role of corporate governance mechanisms in general or internal corporate governance mechanisms, and the extent of their impact on creative accounting or financial corruption and other variables, but this study focused on the impact of internal mechanisms for the governance of economic institutions on the extent of administrative corruption, by highlighting the statistically significant relationship between the application of internal governance mechanisms and reducing the extent of administrative corruption.

Research Structure:

The research plan includes two parts, where the first part deals with the theoretical framework of administrative corruption and the internal mechanisms for the governance of economic institutions, while the second part deals with the field study to extract the relationship between the study variables.

1- Internal governance mechanisms for economic institutions Corporate governance is based on a set of internal and external mechanisms. Through the study, we will address the internal mechanisms for governance of economic institutions, which in turn represent the defensive framework of the institution in the face of various types of corruption.

1-2 Board of Directors Mechanism: The Board of Directors is considered a governance mechanism, through its supervisory role in the institution to reduce the risks of deviation of the institution's manager and its administrative staff from implementing the set goals (Karoui & Khlif, 2007, p. 04). It can also be said that governance simply and specifically means that the Board of Directors, on behalf of the investors, holds the managers accountable and holds them accountable for their performance in achieving the institution's goals. This is the main reason for the necessity of giving the Board of Directors a sufficient degree of independence that enables it to regulate its ability to monitor the managers and dismiss them if they do not achieve the required performance (Darwish, 2007, p. 86). The highest administrative body is considered responsible before the general assembly of shareholders, as it is considered the authority that works to balance the interests of the owners and those in charge of management. Shareholders must choose the destination, the Board of Directors must determine the path, and the executive directors must lead the path (Abirat and Taaba, 2019, page 275).

1-2 Internal audit mechanism:

It is considered the basis for meeting governance requirements through its role in protecting shareholders' rights and preserving the company's funds, which requires constructive cooperation between it and the company's management and auditors to provide reliable information, provided that the relationship between them is characterized by transparency in terms of exchanging information (Karmia, 2014/2015, page 194).

Since the audit committee is considered an internal control tool of governance tools, it seeks to ensure the effectiveness of the institution's internal control procedures, as well as examine and review the accounting policies and procedures followed in preparing the actual and estimated financial statements, in addition to determining the fees of the external auditor, and thus it is possible to affect the level of quality of the financial audit (Hamadi, 2011/2012, page 97).

Internal auditing is of great importance in light of governance requirements, and this is through the qualifications of the internal auditor and the method of internal auditing. The most important thing that internal auditing provides in the field of governance is the evaluation of the internal control system, risk auditing, and interaction with the rest of the governance mechanisms (Ali, 2017, p. 130).

1-3 Disclosure and transparency mechanism:

Disclosure is considered one of the essential matters related to institutions, which includes financial position, performance and ownership. When information is available to all investors, investment evaluation processes become effective and efficient and contribute accurately to determining the fair market value of institutional shares (Qattaf and Ben Issa, 2017, p. 144).

The most important governance mechanisms are the necessity of applying disclosure standards to all institutions that publish their accounts and financial statements to the public. This requires the proper application of all laws and regulations that specify the specifications of financial statements and reports, which ensure full disclosure of all information and events that directly or indirectly affect the integrity of the financial position of the institution and the results of its activity, and work to limit fraudulent methods, as well as work to address conflicts of interest, and provide sufficient information, especially about activities that are not shown in the financial statements, with the necessity of simplicity and complete clarification, by presenting all information in an easy, simplified form that enables all specialists and non-specialists to understand it (Ali and Shehata, 2007, p. 98).

1- Administrative Corruption

2-1 Definition of Administrative Corruption

The World Bank defined administrative corruption as: the misuse of public office for private gain. Corruption occurs when an employee accepts or requests a bribe, or extortion, to facilitate a contract or a public tender. It also occurs when agents or brokers of private companies or

The Contribution of Internal Governance Mechanisms of Economic Institutions in Reducing the Scale of Administrative Corruption

businesses offer to provide a bribe to benefit from policies or public procedures to overcome competitors and achieve profits outside the framework of applicable laws. Corruption can also occur by exploiting public office without resorting to bribery, by appointing relatives or stealing state funds directly (Bin Aloush Bin Badi Al-Subaie, 2010, p. 60).

2-2 Manifestations, characteristics, causes, factors, and effects of administrative corruption

The various information related to administrative corruption can be summarized in the following table:

Table No. (01): Manifestations, characteristics, causes, factors, and effects of administrative corruption

<p>Social:</p> <p>Poor distribution of income and wealth</p> <p>Family and tribal loyalties and affiliations</p> <p>– Widening gap between the rich and the poor.</p>	<p>Economic: - Low income level of the perpetrator of the crime of corruption - Unemployment and poverty - High level of contribution of the public sector to economic activity</p>	Reasons
<p>Administrative: - Weak control due to the failure of the control agencies to use the required tools - Ignorance of citizens and employees in the administrative agencies - Low level of control and lack of clarity in job duties and conflicting and ambiguous laws, regulations and bylaws - Prevalence of bureaucracy and low salaries of control personnel - The existence of old or inappropriate organizational structures for the nature of the work.</p>	<p>Political:</p> <p>Competition for political power</p> <p>Political tyranny</p> <p>The close relationship between domestic political systems and international sources of corruption</p> <p>– The marriage of political power with wealth and the intertwining of interests and benefits between politicians, businessmen and financiers.</p>	
<p>-Bribery - Embezzlement - Forgery and counterfeiting - Damage to public funds - Mediation - Blackmail - Profiting from job duties -</p>		Appearances

The Contribution of Internal Governance Mechanisms of Economic Institutions in Reducing the Scale of Administrative Corruption

Commissions in exchange for deals and contracts - Exploitation of power and influence - Accepting gifts and gratuities from stakeholders - Fraud and deception - Tax fraud - Disclosure of confidential information - Buying votes and political influence - Defrauding the system - Abuse - Negligence and deliberate abuse of the institution - Job negligence - Bias and favoritism towards groups and individuals without justification - Facilitating money laundering operations.	
Secrecy - multilateralism - mutual commitment - camouflage - breach of trust - deception and fraud - deviant behavior - breach of duties and responsibilities - achieving a private interest at the expense of the public interest - exploitation of governmental or public functional authority - multiple manifestations - multiple intermediaries of corruption - association with crises and disasters - association with economic and political freedom - association with civilization and urbanism.	Features
Individualism in work teams - lack of judicial independence - lack of oversight and accountability - bureaucracy, which forces citizens to tempt the working individual with some money so that they can meet their needs.	Spread factors
Transforming planning into a formal process - Reducing the effectiveness of the results of organizational efforts - Failure of the employee's duties for public office - Deviation of the objectives of the decision from the public interest - Obstruction of oversight efforts - Negative impact on the growth rate of national income - Decrease in the growth rate of public revenues, especially taxes and customs - Increased fear of foreign investors from investing in an investment environment controlled by corruption - Failure of the principle of social justice among people - Collapse of values and ethical principles - Creating an artificial legitimacy for corruption when corruption is due to the tyranny and despotism of the ruling classes and those around them.	The effects

Source: Prepared by researchers based on; Ahmed Mustafa Ahmed Sobeih, Financial and Administrative Control and its Role in Reducing Administrative Corruption, a thesis submitted for a PhD in Law, Ain Shams University, Egypt, 2014.

1- Estimating and Testing the Impact of the Contribution of Internal Governance Mechanisms of Economic Institutions in Reducing Administrative Corruption

Four statistical models will be estimated and tested below, as follows:

The first model: This model combines; the size of administrative corruption, as a dependent variable; and the internal governance mechanisms of economic institutions (the board of directors mechanism, the internal audit mechanism, the disclosure and transparency mechanism), as independent variables; This model aims to test the validity of the first main hypothesis, which was formulated as follows: There is a direct relationship between the application of internal governance mechanisms of economic institutions and reducing the size of administrative corruption;

The second model: This model combines; the size of administrative corruption, as a dependent variable; and the board of directors mechanism as an independent variable; This model aims to test the validity of the second main hypothesis, which was formulated as follows: "There is a direct relationship between the application of the Board of Directors mechanism and the reduction of the extent of administrative corruption";

- The third model: This model combines the extent of administrative corruption, as a dependent variable, and the internal audit mechanism as an independent variable; This model aims to test the validity of the third main hypothesis, which was formulated as follows: "There is a direct relationship between the application of the internal audit mechanism and the reduction of the extent of administrative corruption";

- The fourth model: This model combines the extent of administrative corruption, as a dependent variable, and the disclosure and transparency mechanism as an independent variable; This model aims to test the validity of the third main hypothesis, which was formulated as follows: "There is a direct relationship between the application of the disclosure and transparency mechanism and reducing the extent of administrative corruption.

To create the four models, the questionnaire form was relied upon, for the purpose of collecting data and information from the study sample, where 65 forms were distributed, and 37 forms were retrieved and analyzed, as the form contains three axes:

The first axis: aims to know the degree of influence of the Board of Directors mechanism, as it contains 07 paragraphs;

The second axis: aims to know the degree of influence of the internal audit mechanism, as it contains 08 paragraphs;

The third axis: aims to know the degree of influence of the disclosure and transparency mechanism, as it contains 06 paragraphs.

3-1 Reliability coefficient

The Cronbach's alpha coefficient measures the stability of the questionnaire tool axes, and many specialized researchers believe that its serious values are greater than 0.6, and the following table summarizes the values of this coefficient related to the study tool:

Table No. (02): Cronbach's alpha coefficient values for the study questionnaire axes

Alpha de Cronbach	Axes
0,832	Board of Directors Mechanism
0,798	Internal audit mechanism
0,801	Disclosure and Transparency Mechanism
0,821	Total (Governance Mechanisms(
0,849	The extent of administrative corruption

Source: Prepared by the researchers based on the outputs of SPSS.V26 program

Through Table No. (01), the following analyses can be presented:

The Cronbach's alpha stability coefficient for the independent variable axis reached an acceptable percentage estimated at 84.9%, in addition to the acceptable percentage reached by its sub-variables, which were estimated respectively at 83.2%, 79.8% and 80.1%, which indicates the stability of the paragraphs of the independent variable.

3-2 Administrative corruption - internal governance mechanisms of economic institutions

To test the validity of the first main hypothesis; During this requirement, the first model will be estimated and tested as follows:

Definition of the model:

The Contribution of Internal Governance Mechanisms of Economic Institutions in Reducing the Scale of Administrative Corruption

During this model; The impact of the internal governance mechanisms of economic institutions will be analyzed, represented by (the board of directors mechanism, the internal audit mechanism, the disclosure and transparency mechanism), as independent variables; On the size of administrative corruption, as a dependent variable, and in the context of estimating and testing the model; And to confirm the relationship of the model variables; The existence of a linear relationship between its variables will be confirmed, either by drawing a scatter plot and noting the possibility of representing the relationship between the study variables in the form of a straight line, or calculating the standard error of estimation (Erreur standard de l'estimation), which measures the dispersion of the values of the model variables from the regression line. The small values of this indicator mean the small deviation of the model variables from the regression line, and the small random errors, and thus the existence of a linear relationship that allows achieving the quality of the regression line representation of the points of the scatter plot.

Based on the small standard error of estimating this model, which amounted to 0.36777; the appropriate linear regression model for this relationship can take the following formula:

$$Y=f(GI)=Y_0+\alpha GI$$

Where:

Y: The estimated value of the size of administrative corruption;

(GI): The independent variable representing the internal governance mechanisms in economic institutions;

Y_0 : The size of administrative corruption in the absence of internal governance mechanisms for economic institutions;

α : The marginal tendency of internal governance mechanisms of economic institutions; it means that the more internal governance mechanisms are applied, the more the reduction in the size of administrative corruption increases by α .

Estimating and testing the model:

The following table shows the results of estimating and testing the parameters of the model

$$Y=f(GI)$$

Table No. (03): Estimating and testing the model $Y=f(GI)$

(F - test)		R ²	R	(T- test)		Impact ratio on reducing	The value of the impact on	Parameter	
Sig	Calcul			Sig	Calcula				

The Contribution of Internal Governance Mechanisms of Economic Institutions in Reducing the Scale of Administrative Corruption

	ated				ted	the extent of administr ative corruptio n**	reducing the extent of administrati ve corruption*	value	
0,00 0b	48,227	0,57 9	0,761 a	0,02 7	2,310	4,59 %	0,986	0,98 6	Y₀
				,000 0	6,945	10,6 %	2,277	0,75 9	α

Source: Prepared by the researchers based on the outputs of the SPSS.V26 program

Through Table the following analyses can be presented:

The estimated model for the relationship between reducing the size of administrative corruption and applying internal governance mechanisms in economic institutions; takes the following formula:

$$Y=f(GI)=0.986+0.759GI$$

The initial value of the size of administrative corruption when internal governance mechanisms are not applied in economic institutions was estimated at: 0.986 points, out of a total of 21 points, i.e. 4.59%, where the percentage of the impact of other random variables except for the application of internal governance mechanisms in economic institutions represents, and accordingly, the impact of applying internal governance mechanisms in economic institutions will be represented in the remaining percentage estimated at 95.41%;

α was estimated at 0.752, meaning that the more the application of internal governance mechanisms in economic institutions increases by one unit; The reduction in the size of administrative corruption increased by 2,277 points out of a total of 21 points, i.e. 10.6% of the total percentage of reducing the size of administrative corruption;

T-test: We conclude that the independent variable represented by the application of internal governance mechanisms in economic institutions was statistically significant according to this test at a significance level of ($P \leq 0.05$), i.e. it truly explains the reduction in the size of administrative corruption;

The correlation coefficient R reached a0.761, which indicates the strong correlation between the independent variable and the dependent variable of the model;

The determination coefficient R^2 reached 0.576, which indicates that the application of internal governance mechanisms in economic institutions explains 57.6% of the changes in reducing the size of administrative corruption, while the remaining percentage is due to other random variables that were not included in the model;

Test (F-test): The error associated with the F statistic reached 0.000, which is less than the value 0.05, which confirms the acceptance of both the overall model and the explanatory power of the regression model from a statistical point of view;

Based on the above; The first hypothesis is correct, that is, there is a direct relationship between both the application of internal governance mechanisms in economic institutions and the reduction of the size of administrative corruption.

3-3 Model of reducing the size of administrative corruption - applying the Board of Directors mechanism

To test the validity of the second main hypothesis; During this requirement, the second model will be estimated and tested as follows:

Definition of the model:

During this model; The effect of applying the Board of Directors mechanism, as an independent variable, on reducing the size of administrative corruption, as a dependent variable, will be analyzed, and in the context of estimating and testing the model; And to confirm the existence of a linear relationship between its variables, the standard error of estimation (Erreur standard de l'estimation) was calculated, and its value reached 0.41916;

Based on the smallness of the standard error of estimation; The simple linear regression model will be suitable for this relationship, and can take the following formula:

$$Y=f(Ad)=Y_0+\beta Ad$$

Where:

Y: Estimated value of reducing the size of administrative corruption;

(Ad): Independent variable representing the application of the board of directors mechanism;

Y_0 : Level of reducing the size of administrative corruption when the board of directors mechanism is not applied;

β : Marginal tendency to apply the board of directors mechanism; This means that the more the board of directors mechanism is applied, the more the reduction in the size of administrative corruption increases by β .

Estimating and testing the model:

The following table shows the results of estimating and testing the parameters of the model

$$Y=f(Ad)$$

Table No. (04): Estimating and testing the model $Y=f(Ad)$

(F - test)		R ²	R	(T- test)		Impact ratio on reducing the extent of administrative corruption	The value of the impact on reducing the extent of administrative corruption	Parameter value	
Sig	Calculated			Sig	Calculated				
0,000 ^b	29,069	0,454	^a 0,674	,0050	2,959	6,65 %	1,398	1,398	Y₀
				,0000	5,392	8,77 %	1,842	0,614	β

Source: Prepared by the researchers based on the outputs of the SPSS.V26 program

Through Table the following analyses can be presented:

The estimated model for the relationship of reducing the size of administrative corruption, by applying the Board of Directors mechanism; takes the following formula:

$$Y=f(Ad)=1.398+0.614Ad$$

The initial value for reducing the size of administrative corruption when applying the Board of Directors mechanism was estimated at 1.398 points, out of a total of 21 points, i.e. 6.65%, i.e. the percentage of the impact of other random variables except for applying the Board of Directors mechanism, and accordingly, the impact of applying the Board of Directors mechanism will be represented in the remaining percentage estimated at 93.35%;

β was estimated at 0.614, i.e. the more the application of the Board of Directors mechanism increases by one unit, assuming that the rest of the mechanisms are not applied; the reduction in the size of administrative corruption increases by 1.842 points out of a total of 21 points, i.e. 8.77% of the total percentage of reducing the size of administrative corruption;

(T-test): We conclude that the independent variable represented by the application of the board of directors mechanism was statistically significant, according to this test at a significance level of ($P \leq 0.05$), meaning that it is truly explained by reducing the size of administrative corruption;

The correlation coefficient R reached 0.674, which indicates the strong correlation between the independent sub-variable and the dependent variable of the model;

The coefficient of determination R^2 reached 0.454, which indicates that the application of the board of directors mechanism explains 45.4% of the changes in reducing the size of administrative corruption, while the remaining percentage is due to other random variables that were not included in the model;

(F-test): The error accompanying the statistic F reached 0.000, which is less than the value 0.05, which confirms the acceptance of both the overall model and the explanatory power of the simple regression model from a statistical point of view;

Based on the above, the second hypothesis is correct, meaning that there is a direct relationship between both the application of the board of directors mechanism and reducing the size of administrative corruption.

4-4 Administrative Corruption Limit Model - Application of the Internal Audit Mechanism

To test the validity of the third main hypothesis; During this requirement, the third model will be estimated and tested as follows:

Definition of the model:

During this model; The effect of applying the internal audit mechanism, as an independent variable, on reducing the size of administrative corruption, as a dependent variable, will be analyzed. In the context of estimating and testing the model; And to ensure the existence of a linear relationship between its variables, the standard error of estimation was calculated (Erreur standard de l'estimation), and its value reached 0.47657;

Based on the smallness of the standard error of estimation; The simple linear regression model will be suitable for this relationship, and it can take the following formula:

$Y = f(Au) = Y_0 + \delta Au$ So that:

Y: The estimated value of reducing the size of administrative corruption;

(Au): An independent variable represented by the application of the internal audit mechanism;

Y_0 : The level of reducing the size of administrative corruption when the internal audit mechanism is not applied;

δ : The marginal tendency to apply the internal audit mechanism; it means that the more the internal audit mechanism is applied, the greater the reduction in the size of administrative corruption by δ .

Estimating and testing the model:

The following table shows the results of estimating and testing the parameters of the model

$$Y=f(Au)$$

Table No. (05): Estimating and testing the model $Y=f(Au)$

(F - test)		R ²	R	(T- test)		Impact ratio on reducing the extent of administrative corruption	The value of the impact on reducing the extent of administrative corruption	Parameter value	
Sig	Calculated			Sig	Calculated				
0,001 ^b	14,563	0,294	0,542 ^a	,0000	4,459	% 10,119	2,125	2,125	Y₀
				,0010	3,816	% 6,5857	1,383	0,461	δ

Source: Prepared by the researchers based on the outputs of the SPSS.V26 program

Through Table the following analyses can be presented:

The estimated model for the relationship of reducing the size of administrative corruption, by applying the internal audit mechanism; takes the following formula:

$$Y=f(Au)=2.125+0.461Au$$

The initial value for reducing the size of administrative corruption when not applying the internal audit mechanism was estimated at 2.125 points, out of a total of 21 points, i.e. 10.119%, where it represents the percentage of the impact of other random variables except for the application of the internal audit mechanism, and accordingly the impact of the application of

the internal audit mechanism will be represented in the remaining percentage estimated at 89.881%;

δ was estimated at 0.461, meaning that the more the application of the internal audit mechanism increases by one unit, assuming that the rest of the mechanisms are not applied; The reduction in the size of administrative corruption increased by 1,383 points out of a total of 21 points, i.e. 6.5857% of the total percentage of reducing the size of administrative corruption;

T-test: We conclude that the independent variable represented by the application of the internal audit mechanism was statistically significant according to this test at a significance level of ($P \leq 0.05$), i.e. it is truly explained by reducing the size of administrative corruption;

The correlation coefficient R reached 0.542, which indicates the strong correlation between the independent sub-variable and the dependent variable of the model;

The coefficient of determination R^2 reached 0.294, which indicates that the application of the internal audit mechanism explains 29.4% of the changes in reducing the size of administrative corruption, while the remaining percentage is due to other random variables that were not included in the model;

F-test: The error associated with the statistic F reached 0.001, which is less than the value 0.05, which confirms the acceptance of both; the overall model and the explanatory power; For the simple regression model from a statistical point of view;

Based on the above; the third hypothesis is correct, that is, there is a direct relationship between both the application of the internal audit mechanism and the reduction of the size of administrative corruption.

4-5 The model of reducing the size of administrative corruption - the application of the disclosure and transparency mechanism

To test the validity of the fourth main hypothesis; During this requirement, the fourth model will be estimated and tested as follows:

Definition of the model:

During this model; The effect of applying the disclosure and transparency mechanism, as an independent variable, on reducing the size of administrative corruption, as a dependent variable, will be analyzed, and in the context of estimating and testing the model; And to ensure the existence of a linear relationship between its variables, the standard error of estimation (Erreur standard de l'estimation) was calculated, and its value reached 0.46509;

The Contribution of Internal Governance Mechanisms of Economic Institutions in Reducing the Scale of Administrative Corruption

Based on the small standard error of estimation; The simple linear regression model will be suitable for this relationship, and can take the following formula:

$$Y=f(Tr)=Y_0+\Omega Tr$$

Where:

Y: Estimated value of reducing the size of administrative corruption;

(Tr): Independent variable represented by the application of the disclosure and transparency mechanism;

Y_0 : Level of reducing the size of administrative corruption when the disclosure and transparency mechanism is not applied;

Ω : Marginal tendency to apply the disclosure and transparency mechanism; meaning that the more the disclosure and transparency mechanism is applied, the more the reduction in the size of administrative corruption increases by Ω .

Estimating and testing the model:

The following table shows the results of estimating and testing the parameters of the model

$$Y=f(Tr)$$

Table No. (06): Estimating and testing the model $Y=f(Tr)$

(F - test)		R^2	R	(T- test)		Impact ratio on reducing the extent of administrative corruption	The value of the impact on reducing the extent of administrative corruption	Parameter value	
Sig	Calculated			Sig	Calculated				
0,000 ^b	17,040	0,327	0,572 ^a	,0000	6,508	% 11,514	2,418	2,418	Y_0
				,000	4,128	% 5,8285	1,224	0,40	Ω

				0				8	
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Source: Prepared by the researchers based on the outputs of the SPSS.V26 program

Through Table the following analyses can be presented:

The estimated model for the relationship of reducing the size of administrative corruption, by applying the disclosure and transparency mechanism; takes the following formula:
 $Y=f(Tr)=2.418+0.408Tr$

The initial value for reducing the size of administrative corruption when not applying the disclosure and transparency mechanism was estimated at 2.418 points, out of a total of 21 points, i.e. 11.514%, where it represents the percentage of the impact of other random variables except for applying the disclosure and transparency mechanism, and accordingly, the impact of applying the disclosure and transparency mechanism will be represented in the remaining percentage estimated at 88.486%;

Ω was estimated at 0.408, meaning that the more the disclosure and transparency mechanism is applied by one unit, assuming that the rest of the mechanisms are not applied; The reduction in the size of administrative corruption increased by 1,224 points out of a total of 21 points, i.e. 5.8285% of the total percentage of reducing the size of administrative corruption;

T-test: We conclude that the independent variable represented by the application of the disclosure and transparency mechanism was statistically significant according to this test at a significance level of ($P \leq 0.05$), i.e. it is truly explained by reducing the size of administrative corruption;

The correlation coefficient R reached 0.572, which indicates the strong correlation between the independent sub-variable and the dependent variable of the model;

The coefficient of determination R^2 reached 0.327, which indicates that the application of the disclosure and transparency mechanism explains 32.7% of the changes in reducing the size of administrative corruption, while the remaining percentage is due to other random variables that were not included in the model;

F-test: The error accompanying the statistic F reached 0.000, which is less than the value 0.05, which confirms the acceptance of both; The overall model and the explanatory power of the simple regression model from a statistical point of view;

Based on the above, the fourth hypothesis is correct, that is, there is a direct relationship between the application of the disclosure and transparency mechanism and the reduction of the size of administrative corruption.

Conclusion:

Internal governance mechanisms are a means of protecting all stakeholders within the economic institution, as they represent a safety wall for various attempts at administrative corruption that occur while workers are performing their duties, as the strict application of internal governance mechanisms contributes greatly to mitigating and reducing the phenomenon of administrative corruption within economic institutions.

The success of the application of internal governance mechanisms is the success of the effective and rational management of the institution, as the successful manager is the one who improves good control and the actual application of internal governance mechanisms, due to the transparency and credibility that they add to the financial statements of the institution.

Administrative corruption is a negative phenomenon present in various economic institutions;

Administrative corruption contributes to destabilizing the economic institution, disrupting its development, and delaying it from achieving its goals;

Administrative corruption accumulated over the years leads to the collapse of the institution, and causes financial scandals that can lead to destabilization of the national stability;

Good and effective application of internal governance mechanisms contributes to reducing the extent of administrative corruption within the economic institution;

Good and effective management of economic institutions requires commitment to the application of internal governance mechanisms;

Internal governance mechanisms are a means of security, as they give confidence to shareholders in the performance of the Board of Directors;

If the institution wants to achieve its stated goals, it must commit to the application of internal governance mechanisms.

Recommendations:

Enhancing the practice of governance in general and governance mechanisms in particular through training programs;

- Emphasizing the efficiency and integrity of individuals practicing internal governance mechanisms;

- Emphasizing the independence of individuals practicing internal governance mechanisms and enabling them to make decisions;
- The state's contribution to legislating deterrent laws on those practicing administrative corruption, whether in public or private institutions.

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Bachiri abdelaalim et.al

The Contribution of Internal Governance Mechanisms of Economic Institutions in Reducing the Scale of Administrative Corruption

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