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**Role of Accounting Profession Ethics in preventing financial  
corruption of civil society organizations in Iraq: An exploratory  
Study on Financial Reports for Civil Society Organizations in  
Dohuk/Iraq**

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**Abstract:**

The study aimed to identify the role of accounting profession ethics in preventing financial corruption of civil society organizations in Iraq. A survey is conducted and distributed to accountants who have license from Accounting Association to prepare and the nonprofit organizations (NGO) annual financial reports. The questioner is distrusted in Duhok province through using google driver link. The study focused of finding the relationship between variables of financial corruption and accounting profession ethics factors, that found out significant relationship among the factors and preventing financial corruptions in NGOs.

The key finding of the study resulted that commitment to the professional standards and religious values are considered as core for mitigating financial corruptions and enhance trust with financiers. Besides, it's also highlighted that accountants' independency in work, and stripping of pressures influence to produce better quality and reliable financial information as well as mitigate financial corruptions through getting rid of bias without top management interventions. These results could be considered to suggest that accountants are able to mitigate the significant threats of corrupt practices occur in NGOs and other firms.

**Keywords:** Financial Corruption, Accounting Profession ethics, Ethical Standards.

## دور أخلاقيات مهنة المحاسبة في منع الفساد المالي لمنظمات المجتمع المدني في العراق

### دراسة استطلاعية للتقارير المالية لمنظمات المجتمع المدني في دهوك/العراق

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#### المستخلص:

هدفت الدراسة الى التعرف على دور أخلاقيات مهنة المحاسبة في منع الفساد المالي في منظمات المجتمع المدني في العراق. حيث تم إجراء دراسة استطلاعية وتوزيعها على المحاسبين الحاصلين على اجازة تنظيم تقارير مالية من نقابة المحاسبين والمدققين لإعداد التقارير المالية السنوية للمنظمات غير الربحية (NGO) في محافظة دهوك من خلال استخدام google driver. وركزت الدراسة على ايجاد العلاقة بين متغيرات الفساد المالي ومتغيرات عوامل أخلاقيات مهنة المحاسبة ومنع الفساد المالي في المنظمات غير الحكومية.

توصلت الدراسة الى أن الالتزام بالمعايير المهنية والقيم الدينية يعتبران من اهم العوامل في الحد من الفساد المالي وتعزيز الثقة مع الممولين. الى جانب ذلك، تم تسليط الضوء على استقلالية المحاسبين في العمل وتجربتهم من ضغوط العمل يساعدهم في توفير معلومات مالية ذات جودة وموثوقة، بالإضافة الى الحد من الفساد المالي من خلال التخلص من التحيز وتدخلات الادارة. هذه النتائج تشير الى ان المحاسبين يمكنهم من الحد من التهديدات الكبيرة المتعلقة بالفساد المالي التي تحدث في المنظمات غير الحكومية والشركات الاخرى.

**الكلمات المفتاحية:** الفساد المالي، أخلاقيات مهنة المحاسبة، المعايير الأخلاقية.

#### Introduction

The published financial statements are one of the most important sources of data for its users, because it contributes to rationalizing their decisions. In civil society organizations who are nonprofit organizations (NGOs) funders who are donors are considered as the most important active users of the financial statements, it represents for them the legal determinants that oblige entities' management with a professional and legal framework.

Accounting profession like any other professions adhere to the rules of professional ethics stemming to control their professional behavior. Accountants are obliged to follow consistent standards are established by law to meet the expectations of the business community, government agencies and stockholders, including financiers. These standards should support independence and advancement creation, objectivity, and striving

to raise the level of efficiency which are required by the rules and ethics of professional conduct.

In this context, this study focuses on the role of the ethics of the accounting profession in preventing financial corruption and achieving transparency and objectivity in NGOs who are implementing the project with the funders of project activities. Besides, the contribution of this study lies in that it is the first study in Iraq that shows the relationship between ethical values and financial corruption in NGOs.

## **1. Research Methodology and Literature review:**

**1-1. Study Problem:** A problem of financial corruption becomes one of the issues that was and still exists in the environment of NGOs in Iraq, this due to many factors affecting to prevent such financial corruption. The most important factor is the accounting profession ethics, who play a direct role in influencing the financial statements and thus escape or expanding financial corruption. Another main factor is the accounting information listed in the financial statements, which is the main source for funders, any shortcoming in the quality of this information would increase the opportunity of financial corruption. As a result, the research problem can be framed through the following question: Does the accounting profession ethics contribute to influence the reduction of financial corruption in NGOs?

**1-2. Study Importance:** This study contributes to light the importance of the accounting profession ethics as a factor that has a major role in influencing financial corruption, any deficiency in this factor would create financial corruption. Accountants' lack of commitment the accounting profession ethics creates a kind of mistrust in the financial statements and reports that submits to funders.

**1-3. Study Objectives:** This study seeks to achieve the following:

- ❖ Determining the contribution of the accounting profession ethics to reduce financial corruption.
- ❖ Clarify the reflections of the qualitative characteristics of accounting information on the quality of the financial reports that submits to funders and impact on enhancing the confidence of funders about the financial reports.

**1-4. Study Hypotheses:** There is a significant relationship between adherence by the accountant profession ethics and reduction of financial corruption.

**1-5. Research Method:**

- ❖ Descriptive approach is adapted through using both Arabic and English references.
- ❖ Analytical approach is used in the practical aspect by analyzing the data collected from the survey.

**1-6. Study Limits:**

**1-6-1. Spatial Boundaries:** The study was conducted through distributing a survey questionnaire to professional accountants who are licensed by the accounting association to prepare financial reports for NGOs who are in Duhok province. Since both researchers are living in Duhok and there was enough sample of NGOs in Duhok.

**1-6-2. Temporal Limits:** The study period included the year 2020 for the purposes of the analytical study.

**1-7. Literature Review:** Through reviewing the literature in Iraq, most of the studies focused on the role of auditors' ethics and their relationship to financial corruption. Besides, there were some studies as listed below focused on accountants' ethics and their impact on financial corruption, these studies were as following:

**1-7-1.** Jalili and Ramo 2012 study (Ethics of accounting and auditing profession and its role in strategies to reduce administrative corruption)

This study states that the flexibility in accounting enables accountants to exploit their abilities to manipulate illegally the financial information. This study recommended that the adoption of corporate governance principles and the obligation of companies in Iraq to establish committees for controlling that seek to ensure the quality of financial reports and the confidence in accounting information, as well as disclosure and transparency of financial information.

**1-7-2.** Al-Sabti (1997) study (Impact of ethical accounting climate in calculating the income tax base in Iraq).

This study aimed to measure the relationship between the accounting ethical climate and each of the qualitative characteristics of accounting information and financial statements, as well as showing the proportionality between the ethical accounting climate variables that

affecting the calculation of other income tax that represented by the qualitative characteristics of accounting information and financial statements. This study resulted that the generally accepted accounting principles and rules of professional conduct are no longer sufficient to prepare fair and real financial statements that can be relied upon in making decisions, including tax accounting, due to the neglect of the ethical approach.

**1-7-3.** Mahmoud et al., (2011) study (Impact of management accountant ethical standards on the quality of financial reports)

This study focused the role played by business ethics standards for managerial accountants in achieving the quality of the accounting information included in the financial reports and its reflection in achieving the accuracy and quality of those reports. The questionnaire is distributed to accountants in Tikrit province for those who are preparing financial reports in accordance with business ethics to ensure the integrity of the management accountant's work, also to avoid errors and problems, and achieve quality in accounting information.

**1-7-4.** Ardeeni (2007) STUDY (Challenges facing accounting profession ethics in Iraq, A study views of a group of accountants)

This study aimed to identify the accounting profession ethics in Iraq and to identify the challenges facing practicing of accountants in firms. Also sets standards that determine rules of professional conduct, while these rules do not convey with modern scientific developments, and there is ambiguity and lack of clarity in the accounting profession ethics, which makes it difficult to apply by accountants, and there is a weakness in training, as well as the lack of expertise and training centers in accounting field when it needed.

**1-8. Study Contribution:** This study contributes to the following points:

- ❖ highlight the problem of the accounting profession ethics to reduce financial corruption in NGOs.
- ❖ The role of qualitative characteristics of accounting information on the quality of the financial reports that submits to funders.
- ❖ The study opulation is Duhok province.

## **2. Role of Accounting Profession Ethics IN REDUCING Financial Corruption:**

**2-1. Professional Ethics:** Ethics is the basis for the development and advancement of societies and is a controlling factor in the behavior and actions of the human element. The term “Ethics” in English carries many meanings, and the origin of this word is Greek as it is derived from the word (ETHIKOS), which defined by (Sullivan and Shkolnikov, 2006: 10)

**That it means:**

- ❖ Dealing with good and bad, with ethical duties and obligations.
- ❖ Ethics can be seen as principles that govern the individual or the group, i.e., a standard for behaviors appropriate to the profession, such as business ethics, banking ethics, and accounting ethics.

The heavenly messages came to urge people to adhere to ethics, and the great Messenger of Islam (May God bless him and grant him peace) considers ethics the first goal of his mission by saying: “I was sent to complement ethical value”.

Ethics “is defined as the precious, well-established qualities that emanate from human behavior, it is an apparent emotion with the movement of the inner, and it is linked to the belief and the Islamic Law (Hussain, 1986: 24).

Researchers’ interest in studying ethics in general, and ethical growth, is an essential element of society’s existence and survival (Abo-Tabikh, 2008: 79). Ethics allows to define the rules of work or movement (Reda, 2007: 70). These ethics also refer to a set of principles and values on which employees relay for the purpose of distinguishing between what is right or wrong in their decisions and actions (Abbas, 2010: 17).

**2-2. Importance of professional ethics:** The importance of professional ethics, as stated by (Al-Ayeb, 2009: 5), lies in helping the various segments of the firm’s human resources to abide by the goals set for them based on the firm’s values that affect them through the following reasons:

- ❖ Facilitates the decision-making process, and achieves respect for all parties, whether from inside or outside the firm.
- ❖ Generates confidence in employees to be part of the firm.
- ❖ Adherence to ethical standards was considered an obstacle to achieving material profit.

**2-3. Need for Profession Ethics:** Recognizing accounting as a social science implies that it has an ethical content, and as long as science is social therefore it is an ethical science, and its data will include ethical



implications and value judgments. Besides, accounting is an inherited social entity that must have an ethical system, it can provide good justifications, and defend the accounting procedures, rules, and standards so that they are not a set of ready-made recipes for expressing economic facts only, but they are ethical guidelines that provide reasonable justification for answering the questions about knowing the reason for the need for professional ethics, and the usefulness of accounting procedures (Bedrosian, 2007:30). The most important factors that justify the effects of the ethical factor on the professional performance of accountants can be identified as follows (Abdul Halim, 2000: 8-9).

**2-3-1.** Accounting is practiced through a set of procedures carried out by accountants, and therefore they are actions that express committed behavior, which justifies the need for ethical standards that guide this humane behavior in general and accounting, which reflects the great need for an ethical base that constitutes a correct starting point for what done by accountants.

**2-3-2.** There are many parties that use accounting information in making their decisions without being contracted with the accountant, such as project workers, customers, suppliers, credit providers, government agencies (the General Authority for Taxes), and investors who rely on the objectivity of accountants in preparing information accounting, thus they are considered in the judgment of a witness who defines rights and obligations, and informs information of what is necessary to be distinguished by their behavior in the performance of their work.

**2-3-3.** Accountants seek a financial benefit represented in a reward or fees, and there are many choices can be taken to achieve this benefit, including what can be described as ethical when there is a balance in the benefits between both parties, while it will be unethical if the achievement of benefit was more than its worth. Accountant should be honest and fair and should not behave unethically in obtaining customers or harming colleagues.

**2-3-4.** If the accounting standards are prepared on an ethical basis, then it remains a free area in the accountant's behavior, as these standards, regardless of the accuracy and details, cannot be extended and the matter remains subject to the ethics of the accountant, for example an accountant who knows that there are bribes paid by the firm, yet he records them in the

books as commissions or rewords, as well as fictitious sales that take place at the end of the year in order to increase the profit and then recorded at the beginning of the following year sales returns, and other realistic examples which there is no way to avoid them except by the commitment the professional ethics.

**2-3-5.** Reducing external interference in the accounting work, the existence of binding ethical rules for accountants in the performance of their work, whether they are included in accounting standards or in the rules of professional conduct, would limit the interference of some parties and individuals in the accounting work to serve their benefits, such as the intervention of the firm's management that the accountant has to prove unreal operations to show them at a high level of efficiency in contrast to the truth, or to request concealment of information that shows its deviation.

#### **2-4. Values and Ethics in Accounting:**

Attention to values and ethics in accounting has emerged recently due to the following factors: (Shehata, 2003: 7-8)

**2-4-1.** Desire to raise the level of performance of the accounting profession, there is a strong causal relationship between the commitment to values and the accountant level performance. The accountant's education and qualification guarantee the professional and technical competence necessary for accountant's job. This means paying attention to the financial aspect, fees without paying attention to the ethical aspect.

**2-4-2.** Maintaining confidence in the accounting information provided by the accountant to people, which requires the availability of ethics and good behavior among accountants.

**2-4-3.** An accountant is a custodian of money, a trustee of it and a witness, as well as an advisor and guide to its owner. People's concern with money and business are affected by the accountant's reports, and this requires reassurance that the accountant is committed to the values that their interest must maintain.

**2-4-4.** The need to protect the profession from the deviations of some of its members who do not adhere to the values and tempt them to forgery and lie to achieve a material or personal purpose. Through the values charter, they can be punished in front of the concerned authorities, and this is a deterrent to others, and this in turn preserves and protects the reputation of the profession.



**2-4-5.** The global religious awakening and the inevitability of returning to the teachings of the heavenly messages, including noble values, dignified ethics, and good behavior, to address many problems, including the problem of money and business. And the need to prepare charters of accountant values in the light of the teachings of religion.

**2-4-6.** Ethics differ from behavior governed by law (Al-Douri, 2006:7). Rules and laws arise from the firm through establishing.

**2-4-7.** Principles and laws that describe how individuals should behave in an acceptable manner in society, and they are binding through the courts.

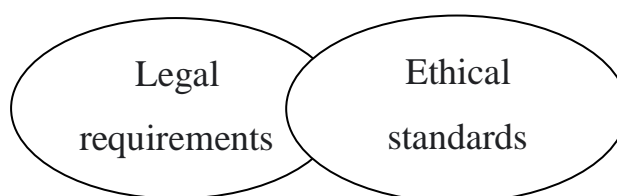


Figure (1): Relationship between ethical standards and legal requirements  
Source: (Al-Douri, 2006: 8).

Ethical standards apply to most of the behavior that is not covered by the law, but the rules of law cover behavior that is not necessarily covered by ethical standards.

**2-5. Ethical commitments for Accounting Profession:** The term ethical commitments are called to the rules of professional conduct, which are defined as “general principles and ideals of exemplary behavior that encourage a high level of performance by emphasizing positive activity” (Al-Jalili and Ramo, 1996: 196). Or it is a study of the ethical principles and rules for practitioners of the accounting profession, moving away from applied ethics, which means a study of ethical problems, choices and standards in specific jobs, professions, specific situations, and how to apply theories and value concepts in certain contexts (Juma, 2006: 2). It’s deciding what is right or wrong within the business environment (Fraedrich, 1993: 18).

The importance of adhering to the ethics of the accounting profession is due to the following reasons: (Juma, 2006: 7).

**2-5-1.** Accounting profession public are clients, lenders, governments, employers, employees, investors, the financial and business community, and others who rely on objectivity and honesty with professional accountants to maintain regular work. This accreditation imposes responsibility for the public interest in the accounting profession, which is

defined as the collective success of the members of society and the institutions served by the professional accountant.

**2-5-2.** The accounting profession standards are framed to serve the public interest with the help of independent auditors to maintain the integrity, confidence, and efficiency of financial statements to prepare reliable financial reports to external parties. It also helps in building confidence and efficiency in the fair application of the tax system and making sound administrative decisions.

**2-5-3.** Professional accountants have a role in society. Investors, depositors, employers, and other business sectors in society, as well as the government and the public depend on professional accountants for financial accounting, effective financial management reports, and efficient advice in business and tax matters, behavior and trends. Professional accountants when providing these services have an impact on the safety of the economy in their society and country (Al-Rawi, 2007: 48).

**2-5-4.** Professional accountants maintain their good position only by continuing to provide this unique service to the public, at a level that has the public's confidence, and according to the ethical commitments that seek to ensure this level of performance (Al-Rawi, 2007: 48).

**2-5-5.** The collapses witnessed by some international companies, is considered as one of the most important causes of accountants' non-compliance with the rules and behaviors of the profession, has reinforced the importance of confirming the ethical values of accountants to restore public confidence in the accounting profession.

**2-6. Components of accounting professional ethics:** Accounting profession ethics depends on the following three components: (Ibrahim, 2006: 9-10)

**2-6-1.** The need to provide a fair treatment for all related parties through accounting principles, accountants must ethically apply the generally accepted accounting principles according to local or international accounting standards, so delivering information closer to reality.

**2-6-2.** The need for the accounting data to sound, objective and accurate, as accounting and as a profession whose mission is to present information to all parties that they use in making certain decisions, and that each party needs certain information from the accounting information presented in the components of financial reporting, therefore the accountant must present

the financial information that supported by factual documents and prove the emergence of the economic event.

**2-6-3.** The need to present truth and accurate disclosure through financial reports without targeting the interest of one party at the interest of others. Accountants are appointed by the firm's management, and they have the authority to ask accountants for the way of preparing financial statements. However, the importance role of accounting profession ethics appears in influencing accountant's behavior in presenting financial information according to the reality, also collecting correct and realistic information for all parties without exception. (Einbon, 2003: 12).

**2-7. Ethical Standards for Accountants:** Professional associations and organizations such as: [FASB, SEC, PCAOB an IASB], they developed and standardized accounting systems continuously through issuing professional standards for accounting in general and ethical standards issued by the Institute of Management accountants (IMA) 5-6). In order to ensure the ethics of this profession in preparing financial reports, drawing up the organization's policies, and preparing accounting information for all parties related to the decisions making, the international accounting standards issued by these organizations have achieved some basic aspects, such as the unification of accounting systems in the world through practitioners of this profession, as well as developing the culture of accountants by conducting research to develop the rules of the profession and spread the professional culture in all parts of the world (Al Adam and Barghouti, 2006: 5-6). Regarding the ethics of the accounting profession (Kennett MacLean) states that the problem in accountants' job is a cultural problem, not an ethical one, because accountants are honorable people, and they must always and forever tell the truth like workers in other professions such as judges and doctors. Not telling the truth thus results in misinformation. (Al-Tami, 2006: 8). The National Association of Management Accountants and the American Institute of Certified Public Accountants referred to a set of the following ethical standards that an accountant must adhere to: (Najm, 2006, 399-400), (PSCPA, 2001: 45).

**2-7-1. Professional Merit/Qualification:** Accountants are responsible for the following:

- ❖ Maintaining an appropriate level of professional competence by developing his knowledge and skills and having full knowledge of the local and

international standards based on which financial operations are established and through which financial reports are prepared.

- ❖ Carrying out his professional duties in a manner commensurate with the generally accepted regulations and laws and technical standards, and to have a personality capable of controlling and complying with the laws on which the basis of preparing the financial statements must be made.
- ❖ The complete and clear preparation, clear reports, and recommendations after conducting a proper and appropriate analysis thereof.

**2-7-2. Secrecy:** Accountants are responsible for the following:

- ❖ Maintaining the confidentiality of work and information and not leaking any information without the approval of the higher management/ departments, therefore accountants should be a confidant of the unit's secrets by keeping the information they own.
- ❖ Educating the finance team to maintain the confidentiality of information.
- ❖ Refrain from using or pretending to use confidential information obtained in the course of the work to obtain illegal or unethical advantages for other competing parties.

**2-7-3. Honesty / honesty / integrity / independence:** Accountants are responsible for the following:

- ❖ Avoid conflict of interests and provide appropriate advice to the parties for any potential conflict in the future.
- ❖ Refuse gifts, hospitality and courtesy that affect the progress of work, and to stay away from any commitment or financial interest with the administration or to be a bias towards a certain party at the expense of another.
- ❖ Refrain from supporting unapproved activities.
- ❖ Avoid doing any activity that could weaken the ability of the work team with colleagues in the accounting work to carry out work and tasks, which leads to their disability in accordance with the ethics and conduct of the profession.
- ❖ Avoid any negative activity that would impede the application of the organization's laws and its ethical objectives.
- ❖ Acknowledgment that there are professional or other obstacles that lead to a lack of responsible or successful judgment and appreciation for any activity.
- ❖ Refrain in all ways from harming the organization's achievement of its legitimate, and ethical objectives.

- ❖ Considering and exchanging professional restrictions that prevent sound judgment or proper implementation of an activity.
- ❖ Announcing any information, whether in favor or not of the organization, as well as the provisions or professional opinion.
- ❖ Refrain from engaging in or supporting an activity that could be offensive to the profession.

**2-7-4. Objectivity:** Accountants are responsible for conveying information fairly and objectively, fully disclosing all appropriate information that may affect the user's understanding of the reports, opinions, or recommendations. Researcher believes that by addressing the ethical standards of accountants, they must act as an agent for the community, because the information that is prepared through the financial reports are used by many parties, thus when accountants are preparing this information, ethical standards must be considered.

**2-8. Impact of Accountants Ethics on reducing financial corruption:** Despite the developments in accounting thought and the emergence of accounting standards to serve as a guide and rules for accounting practices that must be adhered to in order to reduce the erroneous practices of some accountants, the cases of fraud and manipulation of accounting information witnessed by some institutions to achieve illegal goals, including manipulation of financial information and non-disbursement of the allocated amount for a specific activity, it confirms that accountants' lack of commitment to professional ethics will contribute significantly to financial corruption, as the relationship between accountants' ethics and financial corruption can be described as an inverse relationship as in Figure (2) below:

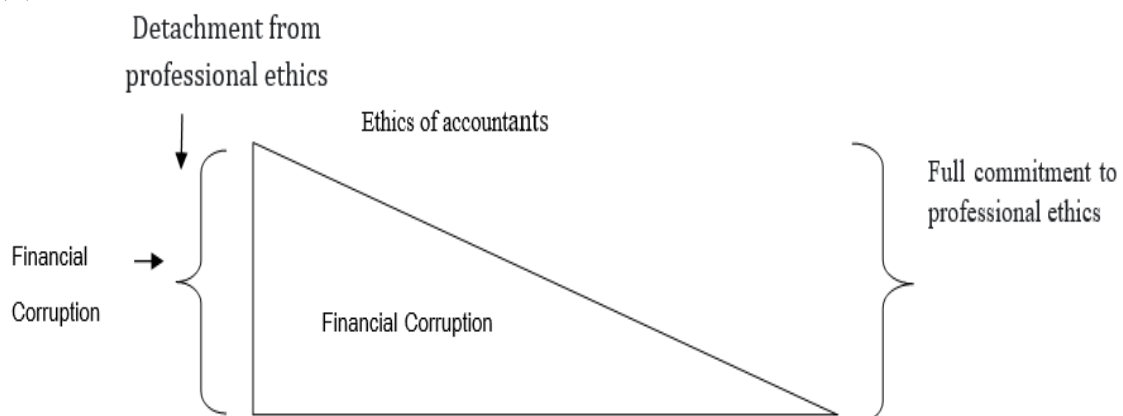


Figure (2): The relationship between the ethics of accountants and financial  
Source: (Mousa, 2012: 65).

The figure above prepared by the researcher to make clear that accountants' full commitment to profession ethics represented by honesty, objectivity and impartiality will contribute to the stability of the accountants' position towards the pressures that the firm's management may exercise to manipulate the financial statements with the aim of disbursing funds allocated to a particular activity in an unallocated place and this would provide unreal and unobjective information to the parties of funds and leads to achieving justice in disbursement. Whenever the level of accountants' commitment to professional ethics decreases, this leads to an increase in financial corruption to a level that leads to the unit's non-compliance in implementing projects with the funds allocated to it as planned if accountants do not fully comply with the profession ethics through manipulation of data forgery or concealment of certain economic events.

**3. Practical Aspect of the Study:** The questionnaire was designed for the purpose of collecting primary data related to the practical aspect of the study as a primary means of obtaining data from the study sample. The questionnaire was divided into two main parts: The first section included general information about the sample items, including: academic qualification, specialization, number of years of experience. The second section included the minimum educational level needed to work on preparing financial statements for NGOs, also included factors that affect the prevention of financial corruption NGOs. A 5 Likert scale (Strongly Agree, Agree, Neither Agree, Disagree, Strongly Disagree) was relied upon in determining the options for answering the questions.

**3-1. Study Population and Sample:** The study population consists of accountants who have license and qualified by the association to work on preparing financial statutory report for NGOs and small factories in Duhok, the questionnaires was distributed 33 accountants in Dohuk, the information contacts of these 33 accountants are collected from the accountants' association in Duhok. The questionnaires are sent to them through Google driver link. Table No. 1 shows the number of questionnaires distributed and received from accountants. Through the table below it shows that 90% of distributed questionnaires are received.



Table (1): Number of Questionnaires Distributed and Received from Accountants

Location	No of questionnaire distributed	No Received	Percentage
Duhok government	33	30	90%

Source: prepared by Researchers

**3-2. Statistical Methods Used:** After the questionnaires were collected and the data entered to the computer, some Statistical Package for the Social Sciences (SPSS) methods are used:

- A. Metadata analysis tools is used to find out the descriptive characteristics of the sample and analyze the results of the descriptive questions.
- B. The F-test was used to test the hypothesis of the study by showing the relationship of all the independent variables with each other with the dependent variable at a statistically significant level of 0.05
- C. Using the T (Sample-One) test to test the hypotheses of the study by comparing the value of T with the level of statistical significance, which is 0.05 for each independent variable separately.

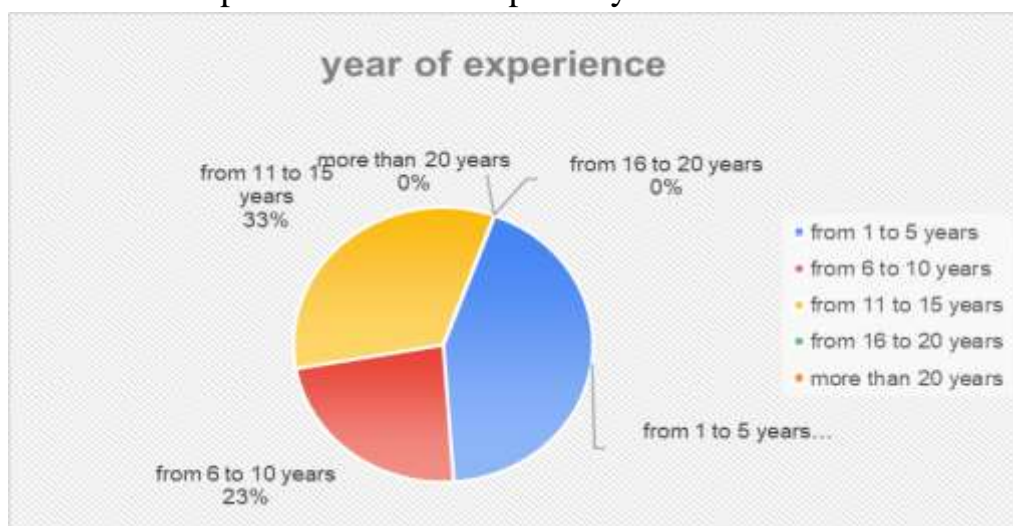


Chart (1) shows year of experience of preparing Financial Statutory reports for NGOs.

Source: Prepare by Researchers.

Looking at the chart above, it shows that accountants who work on financial reports for NGOs have enough experience. It shows that 44% of them have experience from 1 to 5 years, while 23% of them have 6-10 years, and 33% is resulted for whom have experience from 11-15 years. As a result, this give evidence that accountants who are selected for the questionnaire have enough experiences.

### 3-3. DISTRIBUTION OF THE STUDY SAMPLE ACCORDING TO ACADEMIC QUALIFICATION:

Questionnaires are distributed to accountant with different degrees starting from bachelor to Ph. D the table below (2) shows the qualification details of the study samples of the 30 accountants.

Table (2): Qualification Details of the Study Samples of the 30 Accountants.

Details	Number	Percentage
Bachelor's in Accounting	15	50%
high diploma	0	0%
master's degree and its equivalent	12	40%
doctorate and its equivalent	3	10%
Total	30	100%

Source: prepared by Researchers.

Table (2) shows the distribution of the study sample according to the educational qualification, where the number of those have Bachelor degree was 15 whom was half of the participants, while those have Master degree was 12 which was about 40% of the participants, at the time there was only 3 who have Ph. D degree and results as 10% of the participants.

Table (3): ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.278	9	1.031		
Residual	5.689	20	.284	3.624	.008 <sup>b</sup>
Total	14.967	29			

a. Dependent Variable: Financial corruption

Source: prepared by Researchers

### 3-4. STUDY RESULTS:

From the table 3, it shows that there is a significant relationship between the dependent variable financial corruption and the independent variables, because the value of (t) is significant, that is, when comparing (F) with the significance level 0.10, it is smaller, as (t) is 0.008, meaning that there is a statistically significant relationship between the financial corruption and accounting profession ethics.

Table (4): Coefficients

#	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	0.421	0.613		0.687	0.5
1	Accountants' stripping of any pressures that may be exercised by the management of the economic unit is one of the main factors to ensure the quality of financial information	0.712	0.249	0.609	2.854	0.01
2	Commitment of accountants to the secretariat contributes to the application of legally defined accounting principles and standards in the preparation of quality financial statements for the users (the government and financiers)	0.099	0.232	0.093	0.425	0.675
3	Accountants works in NGOs to present their work in an impartial manner and away from bias	0.637	0.211	0.593	3.022	0.007
4	Accountants' commitment to impartiality in disclosing accounting information is one of the necessary matters to facilitate the work of auditors	-0.368	0.267	-0.292	-1.375	0.184
5	Accountants' commitment to religious values enhances trust between financiers and accountants	-0.338	0.16	-0.312	-2.112	0.047
6	Accountants in NGOs perform their duties with diligence and care in accordance with professional standards	-0.458	0.228	-0.401	-2.011	0.058
7	The integrity of accountants in their job duties is one of the factors affecting the credibility of accounting information for the entities that use financial information	0.381	0.26	0.284	1.469	0.157
8	When accountants are under pressure to influence his judgment or obtain confidential information, financial corruption increases	-0.285	0.156	-0.283	-1.83	0.082
9	accountants report who are licensed by association contributes to increasing the reliability of accounting information for the entities that use this information	0.389	0.212	0.333	1.839	0.081

b. Dependent Variable: Financial corruption

Source: prepared by Researchers

From the analysis of the Table (4) Coefficients, it shows the effect of each independent variable separately with the dependent variable, as it shows the extent to which there is a relationship between the individually independent variables with the dependent variable at the significance level of 0.10.

- ❖ It appears from the table that the biggest factor affecting on the financial corruption is the independent variable (accountants work in NGOs to present the work in an impartial manner and away from bias), this kind of relationship between the independent variable and the dependent variable is a significant relationship with a statistical significance, as the t-value is 0.007 compared with the level of statistical significance 0.05, therefore, this relationship is considered significant. Moreover, through comparing the value of T for this independent variable with the rest of the independent

variables, is considered one of the biggest factors that have an impact on the financial corruption in NGOs and it means that the more important things to prevent the financial corruption that accountant department in NGOs work independently and must be far from bias for management to have the best result in the financial report and in same time their financial result will be more trust for donors and other users of the NGOs financial reports.

- ❖ Through statistical analysis, it was found that the independent variable (accountants' stripping of any pressures that may be exercised by the management of the economic unit is one of the main factors to ensure the quality of financial information) has an impact on the development of the accounting in NGOs, and support to prevent or reduce the financial corruption, and help them to develop the work and at same time support to attract more fund for NGOs. There is a significant relationship between this variable as an independent variable with the depend variable, (financial corruption), this is through comparing T test with the level of statistical significance, where it is 0.01, which is less than the level of statistical significance 0.10, and therefore it has a positive impact to prevent financial corruption.
- ❖ The independent variable (Accountants' commitment to religious values enhances trust between financiers and accountants) This third independent variable that has a significant impact to prevent financial corruption and it strengthens the bridge of trust between donors and NGOs, also it is the main supporter in attracting the largest possible number of projects. Through comparing the value of T test with the level of statistical significance where t test is 0.047 which is less than the level of statistical significance is 0.10, and thus the relationship is significant, as this variable is considered the third largest independent variable that has an impact on the prevent of financial corruption.
- ❖ The fourth factor that effecting on the quality of the information it is the performance of accountants diligently and in accordance with the standards of professional care which is one of the basic things that prevent financial corruption, and that the financial reports submitted to the users are reliable, which helps to ensure that the financial information provided in the financial reports is in good quality and thus increases the confidence of donors. The independent variable (Accountants in NGOs perform their

duties with diligence and care in accordance with professional standards) by comparing the value of T test with the level of statistical significance where t test is 0.058 which is less than the level of statistical significance is 0.10, and thus the relationship is significant, as this variable is considered the third largest independent variable that has an impact on the quality of the financial information and support to provide the financial statement and reports have the quality for the NGOs.

- ❖ The fifth factor that have the significate relationship as independent variable with the dependent variable (financial corruption) is (Accountants are under pressure to influence the judgment or obtain confidential information), it means if accountants work under pressure and lost the independency in the work will affect the quality of the financial information in the financial reports and will affect the increasing the financial corruption. This in term will affect the future of the funds for the NGO because if donors or auditors have any financial findings on the financial reports it will affect the coming funds for NGOs.
- ❖ It was found through the analysis that there is a significant relationship between the reliability of the financial information in the financial statements and the report prepared by the accountant who are licensed by the association, it was found that this report contributes to the increase in the reliability of the donors and the government in the annual financial report of NGOs. the independent variable (accountants who are licensed by the association contributes to increasing the reliability of accounting information for the entities that use this information), through comparing the value of T test with the level of statistical significance where t test is 0.081 which is less than the level of statistical significance is 0.10, and thus the relationship is significant.
- ❖ Through the analysis, it was found that there is a close relationship between financial corruption in NGOs and the disclosure of confidentiality of work by accountants under the influence of pressure from stakeholders, and therefore it shows that it is important for accountants to work independently to maintain the quality of work and prevent the occurrence of financial corruption in NGOs. the independent variable (when accountants are under pressure to influence their judgment or obtain confidential information, financial corruption increases), through comparing the value of T test with the level of statistical significance where



t test is 0.082 which is less than the level of statistical significance is 0.10, and thus the relationship is significant.

**4. Conclusion and Suggestions:** This study focused on the financial corruption occurred in NGOs in Iraq, and the role of accounting profession ethics in preventing such corruption, as experienced that there are many factors which support to prevent financial corruption. The study conducted to select sample of accountants in Duhok who are licensed by the accounting association to prepare annual reports for NGOs.

The study came out that there are significant relationships between financial corruptions and each of accountant profession ethics to decrease the financial corruption,

Accountants' stripping of pressures to get good quality and confidential information, which increase the reliability of this information by users and decrease the financial corruption. Also, other factors like accountants' commitment to religious values, following professional standards have significant relationship with financial corruption.

These results could be considered to suggest that accountants are able to mitigate the significant threats of fraud and corrupt practices occur in NGOs and other firms. Also accounting department should have strong internal control to put in place effective anti-fraud and corruption practices.

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