



RESEARCH ARTICLE

## Governance as One of the Mechanisms for Combating Administrative Corruption in Commercial Companies "Comparative Analytical Study"

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ARTICLE INFO	ABSTRACT
Received: Oct 16, 2024 Accepted: Dec 3, 2024	This study aims to address governance as one of the mechanisms for combating administrative corruption in businesses through the comparative analytical approach. The importance of the study is that governance plays a significant role in combating administrative corruption in commercial companies, because whenever there is a commitment to governance principles, the more it helps to combat all forms of financial and administrative corruption in the company. The researchers dealt with the subject through three investigations, the first of which was devoted to the identification of administrative corruption, its causes and effects. The second examined what governance was, its rationale and principles, and the third study on the fight against administrative corruption in comparative legislation. At the end of this study, researchers reached some conclusions and recommendations, perhaps the most important of which was to draw on the experiences of developed countries in the indicator of transparency and international integrity. And it built the foundation of an effective corporate governance system, corporate IT governance, the adoption of artificial intelligence systems as a business governance mechanism, the development of a national digital transformation strategy, the adoption of a comprehensive concept of the quality of accounting information, the strengthening of cooperation between oversight agencies to increase integrity and transparency, and the strengthening of the role of media and e-government.
<b>Keywords</b> Administrative corruption Governance Transparency Good governance Responsibility	
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## INTRODUCTION

### Introduction and relevance of the study's topic:

Administrative corruption is one of the most serious negative phenomena in commercial companies, especially as it is no longer an individual business, but rather an organized business involving more than one person, which makes it more complicated and thus difficult to combat.

This phenomenon has been linked to several factors, the most important of which are the lack of transparency, the lack of rational management, the weak role of the company's supervisory agencies and the failure to keep abreast of new legislation at the international level.

States must therefore firmly confront this phenomenon and adopt continuously scalable policies and strategies so that these mechanisms can be effective in combating this serious scourge, which has recently led States to devote their utmost attention to working to provide mechanisms that reduce administrative corruption in commercial companies.

Governance is rightly one of the most important mechanisms through which management corruption can be combated in commercial companies. Governance will ensure integrity and transparency, assist businesses in creating an organizational structure that enables them to achieve their objectives in the best possible way, ensure the benefit of internal control, and promote transparency in all actions of the company's management.

Governance also contributes to the impartiality and independence of employees, as well as high transparency and credibility when issuing approved financial lists. Governance is in the interest of all customers with the company.

Finally, governance must be seen not as a goal in itself, as it is not only a procedural oversight process, but primarily aimed at transparency and impartiality. and the management of the Company shall be rational management that seeks to achieve the interest of the Company and all its clients, avoid any conflicts or risks that impede the Company's achievement of its purpose, provide the right of accountability and accountability to all parties, and do not confuse the functions and responsibilities of all organs of the Company. This will be achieved only through a transparent, fair, fair and objective competitive performance.

#### **The problem of the study:**

The problem with this study lies in trying to answer a president's question: what is the role of governance in fighting administrative corruption in commercial companies? This question has a range of sub-questions:

1. What is corporate governance?
2. What is administrative corruption, and what are its causes, characteristics and effects?
3. What is the role of transparency in the fight against administrative corruption?
4. What are the most significant challenges to business governance?
5. What are the most prominent principles underlying business governance?
6. What are the most prominent mechanisms and strategies to combat corruption?

See?

#### **Objectives of the study:**

This study aims to demonstrate the concept of governance and administrative corruption, as well as highlight the challenges facing the application of governance principles, and highlight the legal mechanisms that ensure the fight against administrative corruption in commercial companies, as well as the legal implications of the adoption of governance by all business entities.

#### **STUDY METHODOLOGY:**

In this study, the researcher basically adopted the comparative analytical methodology, with the aim of approaching the topic with an analytical insight into each part of it. This is in addition to demonstrating the position of some legislation through the comparative methodology. Finally, the methodology was adopted to establish accurately and coherently all the findings related to the topic, since the separation of legal research methodologies is not possible.

Fifth: Study Plan:

In the light of the foregoing, we will address this study through three investigations, as follows:

chapter 1: What is administrative corruption, its causes and effects.

chapter 2: what governance is, justification and principles.

chapter 3: Combating administrative corruption in comparative legislation

## LITERATURE REVIEW

1. Bousadi Rauf, "The Impact of Digital Governance on the Fight against Administrative Corruption", *Tabnah Journal of Academic Scientific Studies*, 2022, vol. 5, No. 1.

This study examined the impact of digital governance on the fight against administrative corruption, which plays an important role in preventing corruption either directly through the judiciary, or by supporting transparency and administrative accountability.

The study drew some conclusions and recommendations, the most important of which are digital governance, helping to achieve integrity and transparency. It is a system of oversight and follow-up conducive to the proper application of regulations, avoiding cases of administrative corruption and helping Governments to raise awareness of the harms of administrative corruption at all levels. However, it may encounter some obstacles to the effective application of governance.

Our study on this study is characterized by our study on governance and its role in combating administrative corruption in businesses in all its aspects, as well as some States' experiences in combating administrative corruption, while none have been presented.

2. Tawti Mustafa, & Almagzob .Khayraha, entitled/governance mechanisms to combat financial and administrative corruption under the principle of disclosure and transparency, *Al-Megrezi Journal of Economic and Financial Studies*, 2019, vol. 3, No. 1.

The study examined the study by identifying the concept of governance, its objectives and the most important principles underlying it, as well as the meaning of financial and administrative corruption, its causes, the limits and importance of the principle of disclosure and transparency in governance, and the importance of the principle of disclosure and transparency. and governance tools and tools in the fight against financial and administrative corruption.

The study found some conclusions and recommendations, including the need to develop effective policies to combat financial and administrative corruption, that governance is one of the most essential and necessary processes for good corporate governance and the fight against financial and administrative corruption of all kinds, and that good and effective governance requires strict legal legislation to ensure the execution of contracts and the safeguarding of rights.

Our study of this study is characterized by a broader and more comprehensive approach, not to mention the attitude of some comparative legislation to combating financial and administrative corruption in commercial companies through the application of governance principles.

3. Adel bin Ahmed Al-Shalfan, *The Role of Governance and Transparency in Reducing Administrative Corruption*, *Arab Journal of Administration*, vol. 41, No. 2, June 2021.

The study aimed to learn about the role of governance and transparency in the fight against corruption and to identify mechanisms and strategies to combat corruption. The descriptive curriculum, a theoretical study based on a review of the literature on governance, transparency and corruption, was used.

The study found several findings, the most important of which is that governance helps to ensure the integrity and transparency of organizations. and governance is of great importance in the fight against corruption, as it provides organizations with an organizational structure that enables them

to achieve their objectives in the best possible way Transparency is also considered safer for workers than strict oversight of all organizations' joints, It encourages better utilization of human and material resources where performance is more transparent and better.

In the light of these findings, a number of recommendations have been drawn up, which may contribute to enhancing the role of governance and transparency in the fight against corruption. Enact strict laws to prevent corruption, establish effective regulations to evaluate the performance of institutions without the principle of accounting for the cost of corruption to be justified in freezing the abolition of anti-corruption plans for higher costs than corruption, and spread public awareness in society for the purpose of raising the level of civilization, as fighting corruption is a shared task.

Our study on this study is characterized by the fact that our study dealt with the subject in more detail. We dealt with governance as one of the mechanisms for combating administrative corruption in businesses, through the comparative analytical curriculum in three investigations. We devoted the first research to demonstrating what administrative corruption is, what causes it, what effects it is, and in the second study we addressed what governance is, justification and principles. we presented in the third study against administrative corruption in comparative legislation, presenting some States' experiences in combating administrative corruption.

### **Definition of administrative corruption and its causes:**

It is worth mentioning that administrative corruption within commercial companies is one of the most important pests that makes the company deviate from its purpose for which it was established, and therefore the file of anti-corruption is one of the most important files of development and administrative reform in all countries of the world. In this sense, it has been the subject of many projects and initiatives at the local and international levels. in addition to many governmental and non-governmental organizations and bodies, due to its negative effects.

Corruption means the language of invalidity, corruption means invalidity, corruption is expressed in many meanings according to its location, corruption in the Arabic language, corruption of the thing is the opposite of righteousness, corruption other than reclamation.

Ebin manthour. (1986).

Hence, the meaning of corruption refers to any conduct that involves derogation from the rules and provisions of the work, and the resulting harm and disruption. Shalfan, P., & Fair. (2021).

Corruption in terminology means corruption committed by workers to obtain or withhold an undue benefit or benefit from their beneficiaries, often associated with mediation, nepotism, breach of duty, favor and waste. Mahmoud Abdelmadjid Assaf. (2018).

### **Second: Causes of administrative corruption:**

It should be noted that administrative corruption has many causes, as identified by the World Bank:

1. Legal reasons: These are the absence of laws and regulations, on the one hand, and, on the other hand, laws and regulations may exist, but they are poorly drafted, and on the third and final hand, such laws and regulations may exist and elaborate. Al-Aragana, Mohammed Khalaf Mohammed .(2018).

However, the lack of oversight and accountability gives violators sufficient opportunity to evade the implementation of the provisions of those laws and regulations.

2. Management reasons: Among the most important are the inflation of the company's administrative apparatus and the increase in the number of its employees, which causes overlapping competencies, thereby spreading the spirit of neglect and laziness in the performance of work.

3. Political reasons: the lack of political will, which coexists with corruption and does not have the capacity to combat it, and even to impose the necessary measures to combat it, are not serious, which weakens oversight mechanisms, thereby preventing violators from appearing before the courts to hold them accountable for wrongdoing and crimes Tamimi. Abbas Hamid Yahya. (2018).

4. Economic reasons: Many workers are laid off by companies and the low remuneration of workers, which resulted in a substantial decline in their standard of living income distribution ", thus widening the gap between strata of society, owing to the lack of equity in income distribution in order to meet their needs, They started using illegal methods that served their own interest at the expense of the company's interest. Juma, Mohammed Samir Mohammed. (2018).

5. Social causes: These are the reasons for our societies' indifference, where corruption is perceived as normal, which makes it even more difficult, especially since corruption results in only more corruption, to the point where corruption does not see administrative corruption as a defect. Tamimi, Abbas Hamid Yahya. (2018).

Third: Negative impacts of administrative corruption in commercial companies:

It is worth mentioning that the administrative corruption of commercial companies has many negative effects, political, economic, social and legal, as will be explained below:

I. Legal effects: These include:

1. Some partners' sense of injustice, as a result of disregard for the application of laws and regulations to some partners, while being applied literally to others.
2. The circulation of the medium and nepotism to the detriment of the company's interest.
3. The arbitrariness of the company's dominant majority.
4. Neglect of shareholders' minority rights.
5. Breach of the principle of equality of partners.
6. Evasion of responsibility on the grounds that the legal texts are unclear, as they bear interpretation and interpretation in more than one sense, thus making those legal texts mere ink on paper.
7. The weak oversight role that agencies exercise over the company's business.

Second: Political implications:

Since commercial companies are the locomotives of economic development in States, States must ensure adequate safeguards to prevent the scourge of administrative corruption in all their public and private organs and institutions, as this has a negative impact on the national economy. In this sense, the State is concerned to provide safeguards that limit the spread of this negative phenomenon in all institutions and companies. otherwise, the State has lost credibility, and this may have had an impact on the weakness of the State's relationship with other States. Alseideig Moftah Mohammed Al-Bakkush, & Savinar Saleh. (2018).

Economic implications: These include:

1. widespread unemployment.
2. The reluctance of national and foreign investors alike to inject new capital into the economic lifeline, and even to liquidate their already existing investments.
3. Low quality of products produced by the company.
4. The low level of income of individuals, which contributes to widening the gap between members of society.

IV: Social impacts: These include:

1. Inequality among the company's partners.
2. The prevalence of indifference among partners, which has a negative impact on the company's interests.
3. Favour some partners at the expense of others.
4. Partners are disappointed as a result of the company's management policies.
5. Perception of administrative corruption as a habit, although contrary to the moral foundations of the business community. Meet.

### **What is business governance, justification and underlying standards**

#### **business governance means:**

The jurisprudence did not agree on a uniform definition of governance, as a result of its overlap in many organizational matters, The Egyptian legislature may have avoided a specific definition of governance, leaving this task to jurisprudence and the judiciary. The issue of tariff development was not the legislator's prerogative, while some other legislation set out a specific definition of governance. leaving this task to jurisprudence and the judiciary, since the issue of tariff development is not the legislator's prerogative, while some other legislation has established a specific definition of governance, including the UAE Federal Companies Act No. 2 of 2015.

Although the Egyptian legislator did not define governance, the Egyptian Governance Manual was keen to define governance as a general definition. "A set of principles and regulations governing the relationship between the Board of Directors on the one hand, and between the Company's owners and other dealers on the other, with a view to achieving the best protection and balance of the interests of all those parties. Egyptian Directory of Corporate Governance. (2016).

Governance in accordance with article 1 of the UAE Federal Companies Act No. 2 of 2015 means "a set of controls, standards and procedures that achieve institutional discipline in the management of the company in accordance with international standards and methods, by defining the responsibilities and duties of the members of the board and executive management of the company, and taking into account the protection of the rights of shareholders and stakeholders." another aspect of the doctrine defined it as "a system to be followed as a means of managing the company in the interests of all parties, whether through follow-up and supervision, or through oversight, to be carried out in a framework of transparency and disclosure"

Some of the jurisprudence considers that the term corporate governance refers to a system of rules, principles and practices, which achieve the best protection and balance between enterprise management and stakeholders, including shareholders, customers, suppliers, employees and others. Al-Hajri, Mashaal Abdul Aziz . (2016).

Governance according to UNDP is defined as "the exercise of economic, political and administrative authority to administer State affairs at all levels, and includes processes, mechanisms and institutions through which citizens and groups express their interests, exercise their legal rights, fulfil their obligations and accept mediation to resolve their differences. Bassam, Mohammed bin Nasser. (2019).

The Organization for Economic Cooperation and Development (OECD) defined it as "the set of relationships between the management of the enterprise (stakeholders), indicating the mechanism through which the objectives of the institution are developed and the means to achieve those goals and to monitor their achievement" Al-Baali, p. (2016).

The International Finance Corporation defines corporate governance as "the system through which companies are managed and their business controlled". Alamgir, M. (2007).

In any event, governance is a new instrument, more effective and efficient than its predecessors, in striking a delicate and difficult balance between freedom and responsibility. If formulated in such a way as to avoid excessive and excessive, and actually faithfully applied on the ground, Some jurisprudence considers that this is and rightly is a duty of developing countries above others, given their urgent need to emerge from their persistent crises and their bitter reality. Musa Ahmed Jamaluddin. (2016).

It should be noted, however, that a good but necessary governance structure is in place. and that it is not an adequate safeguard for boards and committees to function as intended, It is true that the elements of good governance contribute to the construction of a strong fending wall integrity and competence of individuals performing various tasks, but what rightly guarantees the strength and durability of its structure, From this point of view, it is important to choose these people well. and to be objectively selected guarantees the choice of the most efficient and qualified El Shafei, Mohamed Ibrahim Ahmed. (2016).

For our part, governance is a "legal oversight mechanism that ensures disclosure, transparency, independence, justice and integrity, good corporate governance, oversight, accountability, rule of law, efficiency and effectiveness of performance, in order to combat all forms of financial and administrative corruption, with a view to safeguarding the rights of the company, shareholders and others".

#### **Justification and importance of corporate governance:**

The most important justifications for the need to adopt governance as a mechanism for countering corruption are:

- a. " The phenomenon of financial, administrative and ethical corruption is widespread in many global and multinational companies in Europe, America, Asia and Africa, causing the bankruptcy of the Bank of Credit and International Trade in 1991, the collapse and bankruptcy of the American Savings and Lending Corporation in 1994 and the collapse of Anron World Com Limited in America 2021. Al-Baali, p. (2016).
- b. Successive financial and economic crises in many countries of the world, caused by corporate bankruptcies and financial market collapses. Abdul Hai Rasha Radwan .(2016).therefore, the voices advocating the need for corporate governance have grown, in order to put an end to all negative actions of corporate boards, and to do more to apply the principles of transparency and disclosure, with some kind of oversight, in order to provide the necessary protection to the common interests of the parties involved, and to maintain corporate continuity. Shehata Alsayed Shehata.( 2007).
- c. Executive managers' control over enterprises and their exploitation of their personal interests primarily.
- d. The financial globalization that emerged in the seventh decade of the nineteenth century and the resulting great-uncle corruption throughout the world.

The importance of governance is reflected in the following:

1. Governance plays a major role in enhancing companies' management efficiency through the application of modern management best practices, which effectively contributes to the growth and expansion of companies and maximize profit, reduce losses and risks to which they could have been exposed Good governance ", but for adherence to the standards and principles of good governance that entrust the management of the company to an experienced and highly professional board of directors. in addition, specialized committees work side by side with the Board of Directors, with the

aim of ensuring the functioning of the Company in accordance with the policies adopted by the Company in order to achieve the interests of its shareholders.

2. Devote to the idea of neutrality and justice, and promote transparency and integrity for all stakeholders, shareholders, investors and other stakeholders.
3. Regulate the practices and behaviors of the company's agents by strengthening the supervisory procedures of all the company's business.
4. Avoid all improper practices, which would conflict of interest in such a way as to endanger the company's interests.
5. Providing an appropriate climate for investment that is confident and secure, thus contributing to the company's access to financing at the lowest possible cost.
6. To play a more effective social role, where governance helps businesses to engage in secondary activities besides their main activities, such as the implementation of studies and research that benefit the company, society, the environment and the economy. Ben sageer, Murad. (2016).

Third: The criteria on which governance is based:

Since governance is indispensable in all institutions and companies, it has been the subject of interest by all entities, and therefore has been keen to enact some standards that ensure its proper and more effective application.

This will be explained below:

1. OECD standards: These are:

- a. " Ensure a foundation for an effective corporate governance system.
- b. Preservation of shareholders' rights.
- c. Equality of all shareholders.
- d. Disclosure and transparency.
- E. The responsibilities of the company's board of directors.
- f. The role of stakeholders in the exercise of the company's management powers.

2. Basel Committee on Global Banking Oversight Standards: In 1999, the Basel Committee developed governance instructions and guidelines in banking and financial institutions, perhaps the most important of which are: for a company. Fouad.(2005).

- The establishment of charters of honour between institutions, which guarantee good and good practices among them.
- Develop a good strategy for the company, with the participation of all individuals.
- Proper allocation of responsibilities and decision-making centres, including a functional sequence of approvals from individuals to the Council.
- Promote a robust and effective system of control, taking into account the authorities' proportionality to responsibilities.
- Develop a mechanism for effective cooperation between the Board of Directors, auditors and senior management.
- Establishing some control over risk centres, especially in locations where conflicts of interest are increasing.



- The application of justice and equality, when distributing material and administrative incentives.
- Ensure that information is provided and flowed, appropriately internally and externally Al-Mutairi, Ahmed Rashid. (2013).

#### IFC Standards

Given the importance of governance, it has received attention from the World Bank's International Finance Corporation (IFC), and in 2003, IFC enacted financial and administrative rules, foundations and standards aimed primarily at applying governance principles within institutions. Gader, Mohammed. (2012).

The most important of these are the following:

- a. " Good and acceptable practices for good governance.
- b. Find new steps to ensure good governance.
- c. Develop and improve good governance at the local level.
- d. Good and outstanding driving Shakir Fouad.(2005).

### **Combating administrative corruption in comparative legislation**

#### **Strategies to combat administrative corruption:**

In view of the negative effects of administrative corruption on businesses, some strategies must be adopted to combat this serious scourge, which could also affect the national and even global economy. The most important of these strategies are:

#### 1. Operationalizing good governance in decision-making:

It should be noted that the more rational management is, the more effective it is at making sound decisions for the purpose for which the company was established, and this requires taking into account the following:

- The need to work on the governance of the board of directors of the company, as it has a role in the development of the company's strategy.
- Workers shall be selected on the basis of proportionality between their qualifications and the work assigned to them.
- Spread the spirit of loyalty and belonging to the company, and instill religious and moral values among the company's employees.
- Developing a good organizational structure for the company, contributing to enhancing transparency and integrity, and not confining decision-making to certain people.
- Easy and uncomplicated procedures.
- Formulate some public policies that the company must adhere to, so that it can fulfil its mandated role, provide the necessary mechanisms for its implementation, and entrust the implementation of those policies to persons with competence and competence.
- Develop programmes that enhance the commitment to transparency and integrity, administrative accountability and the fight against administrative corruption, with a view to enhancing the worker's membership of his or her job and commitment to work ethics.
- Activate the role of technology in the process of setting the company's objectives, defining its public policies and making decisions.

#### **2. Activating the role of oversight agencies in the company:**

Since the Company's oversight agencies play a pivotal role in the implementation of the Sustainable Development Goals, their importance has increased recently, given the multiple shortcomings, abuses and abuse of power, which have left serious conditions for the future of the Company. In this regard, the following must be taken into account:

- Enhancing the powers granted to all supervisory agencies in the company.
- Develop the laws governing the company's supervisory bodies so that they can perform their mandated role to the fullest.
- The legislator shall ensure to the supervisory bodies adequate independence to ensure their effectiveness, so that they are independent in their work, so that they can perform their task of supervising and controlling all practices carried out by the employees of the company, so as to ensure the company's achievement of its purpose.

Restructuring of oversight and auditing organs in a manner conducive to harmonization between them, distribution of oversight and auditing phases to the pre-disbursement stage, taking into account the integration of their work and the prevention of duplication in the performance of their work. AlHamly, Sahar Abdullah. (2013).

- Activate the role of internal audit committees as a governance tool in increasing confidence and transparency in financial information disclosed by companies, through their role in financial reporting, supervision of corporate internal audit committees, as well as their role in supporting external audit bodies and increasing their independence, and emphasize the need to adhere to corporate governance principles. Ben sageer, Murad. (2016).

f. Increasing the effectiveness of external audit committees in corporate governance, providing them with mechanisms that enable them to improve the quality of financial data and reports, as well as instilling trust between stakeholders and citizens, and assisting decision makers by providing them with an independent evaluation of all programmes and policies within the company, which undoubtedly helps to achieve accountability, integrity and transparency.

g. There should be real guarantees to ensure that members of the Board of Directors and senior management receive reasonable and unexplained rewards and activate the role of the Company's remuneration committee, so as to ensure the promotion of the interests of the Company.

### **3. Management reform of the company and improvement of its performance:**

The United Nations Administration Reform Conference in Developing Countries, held at the British University of Saskie in 1971, defined the process of management reform as "the result of special preparation efforts aimed at introducing fundamental changes in the public administration organization, through system-wide reforms". Shibli Sabri Ahmed. (2013).

Some of the jurisprudence considers that management reform means "the process of adapting the Department to developments in the basic pillars of management, people and working methods, a fundamental process that depends on prepared persons. Al-Lahiri Sami Mohamed Ahmed.( 2011).

For our part, management reform is a structured collective effort aimed at structural changes in the existing administrative system, with a view to increasing its effectiveness, commensurate with prevailing political, social and economic conditions, by improving the working methods, qualifying and training the individuals leading the administrative process, and creating an appropriate legal and legislative environment that enhances the administrative system's potential and performance, based on the foregoing, we can say that management reform, improved functioning are the most important mechanisms and methods of combating administrative corruption. Shalfan, P., & Fair. (2021).

This requires taking into account the following:

- Good treatment of all dealers with the company.
- Abide by all laws and rules governing work within the company.
- The obligation to perform the tasks entrusted to the employees of the company accurately, objectively and faithfully.
- Attention to the human component, through the building of an efficient system of competency-based recruitment, accountability and the establishment of a career planning system based solely on efficiency.

Striking a balance between rights and duties among all employees of the company, while adopting a policy of reward and punishment, which has a significant impact on the fight against corruption, and holding those who fall short of their duties accountable.

- Preparation of training programmes aimed at improving workers' professional and behavioural competence, in the light of a realistic study to identify the actual training needs of workers and work on the preparation of appropriate training programmes for them.
- Operationalizing the role of chambers of commerce and industry in monitoring the proper execution of business, in accordance with accepted commercial and industrial assets and rules, and establishing specific controls for the professional accountability of minors.

#### 4. Activating the role of technology in corporate governance:

Technology is one of the most important factors in the fight against administrative corruption. In this sense, the importance of information technology governance is reflected in the following:

- a. " Early detection of all forms of administrative corruption in the company.
- b. Enhancing stakeholders' confidence.
- c. Achieving justice and equality among all partners in the company.
- d. Promote the principles of transparency and disclosure in all matters related to the company.
- e. Timely completion of work, reducing the error ratio to the greatest extent possible.
- f. Increase the effectiveness of all the company's organs by improving their performance.
- g. Activate control and accountability at all levels of the company.

#### **Some international experiences in the fight against administrative corruption**

The experience of the Arab Republic of Egypt:

It is worth mentioning that the Egyptian Government has adopted a policy of economic reform since the beginning of the 1980s, adopting the privatization programme at that time, with the aim of transferring the ownership of public sector companies to the private sector. The Government has even allowed the private sector to play a more active role in the implementation of the State's development plans.

However, the pursuit of these policies has shown new forms of administrative corruption policy of privatization ", leading some to question the usefulness of the privatization policy, to which the Government was mindful and therefore considered it appropriate at that time to proceed with the privatization programme. because of the enormous benefits behind it, although there are some disadvantages At the same time, all forms of corruption must be addressed through a specific strategy, through the application of governance mechanisms.

In the early 1990s, the Egyptian Government adopted an economic reform programme. economic reform programme supported by the World Bank and the International Monetary Fund ", as from

1991 to 2007, Egypt implemented a structural economic reform programme and in this period, more incentives were given to the private sector in various economic activities. New trade legislation and partial liberalization of trade and investment, at that time, it was the State's understanding that the completion of this programme would require the establishment of a regulatory and regulatory framework governing the functioning of the private sector, by examining and assessing the extent to which institutions adhere to international norms and standards of governance.

The Arab Republic of Egypt is the first Arab country to pay attention to the rules of corporate governance, where interest in governance began in 2001, through an initiative launched by the then Ministry of Economy and Foreign Trade, the World Bank has collaborated with the Ministry and the Capital Market Authority, the Public Authority for Financial Oversight at Present, and some interested companies and natural persons specializing in the development of the first report on governance in the Republic of Egypt. Al-Mutairi, Ahmed Rashid. (2013).

In 2005, the Ministry of Commerce issued a guide to governance norms and standards in order to improve the functioning of the organizations, the State made strenuous efforts in that period to ensure an appropriate environment to support participation and review the adequacy of laws and regulations, so as to fit current and future variables with full support and application of procedures to fill gaps from which stakeholders can implement, as well as streamline government procedures, by establishing new units to support the implementation of the law, such as the Anti-Money Laundering Unit and the Government Contract Review Office, Shalfan, P., & Fair. (2021).

In 2007, the Capital Market Authority (CMA), the Public Financial Supervisory Authority (GFSA), issued the Executive Rules for the Governance of Companies Engaged in Securities and Unrestricted on the Exchange.

In 2011, the Egyptian Directors' Centre of the General Authority for Financial Oversight issued a guide to corporate governance norms and standards, and these rules are undoubtedly complementary to the texts regulating commercial companies, particularly the law of shareholders, equity-recommending companies and limited liability companies. promulgated by Law No. 159 of 1981 and Capital Market Law No. 95 of 1992; Implementing regulations and other decisions issued in application of them, and therefore these rules are not jus cogens, It's all about organizing and demonstrating good behaviour in corporate management. in accordance with global best practices to balance the interests of different parties.

In this regard, it is hoped that Egyptian companies, shareholders and management This is undoubtedly due to the benefits these rules bring not only to the companies that apply them, but also to the Government ' investment climate in general, because of its interest in protecting shareholders' rights and its emphasis on the need to disclose events, thereby increasing the investor's confidence in his or her funds. furthermore, the auditors and legal advisers of these companies have an obligation to urge companies to abide by these rules. Banks, other financial institutions and credit rating institutions have an obligation to ascertain companies' adherence to the terms and spirit of these rules.

We conclude from all the foregoing: it is still hoped that all managers of companies, financial institutions, professional associations, shareholder groups and boards of directors will put these rules into practice and promote them, and consider the company's application as an objective criterion for its success and excellence compared to other companies that do not apply them, in any event, the Government is committed to the need to increase the effectiveness of governance rules. This is undoubtedly due to Egypt's low profile in Transparency International's 2023 report, where Egypt has regrettably occupied the status of 108 out of 180.

Singapore's experience:

Singapore's experience is one of the most successful in the fight against corruption, ranking fourth with 85 points for the World Transparency Organization Report 2019. This success was based on several factors:

1. There is a genuine and serious desire to apply governance principles and transparency and accountability mechanisms.
2. The State adopts serious and resolute strategies and mechanisms to combat and eliminate corruption.
3. The existence of political will and will to shield corruption in all its forms.
4. Unequivocal rejection of corruption and its unacceptability by all parts of civil society.

To complement the State's anti-corruption efforts, in 1952 Singapore established the Bureau of Investigation into Corruption Practices, an independent police body that investigates corruption in both the public and private sectors, headed by a director directly under the Prime Minister, who is responsible for the following. Shalfan, P., & Fair. (2021).

1. Adopt policies to combat administrative corruption in all its forms.
2. Initiate investigations into any abuse of power, as one of the most serious forms of administrative corruption.
3. Restructuring the business system, ensuring that all practices of administrative corruption are curtailed.
4. Provide advice and advice to all anti-corruption stakeholders and provide them with their proposals in this regard.
5. To provide all reports on what has been taken to combat administrative corruption to those who work in contravention of the provisions of the law.
6. Meetings with all auditors, with a view to emphasizing the principles of integrity and transparency and the need to avoid all forms of administrative corruption.
7. Conduct the necessary investigations into all complaints received by the Office, including some incidents of administrative corruption.

The experience of the Sultanate of Oman:

The Sultanate of Oman has acceded to the United Nations Convention against Corruption. Follow-up and implementation of the provisions of the Convention has been entrusted to the Financial and Administrative Supervisory Body. The Financial and Administrative Oversight Body was established pursuant to Royal Decree No. 111 of 2011. In accordance with article 2 of this Decree, the Sultanate enjoys legal personality and financial and administrative independence. UNIDO ", which aims to achieve a set of objectives. State Financial and Administrative Control Act.(2011).

1. Protect public funds of the State and private funds administered or supervised by any of the units controlled by the Agency, and verify the adequacy of internal control and control systems, the integrity of financial and administrative actions and their compliance with laws, regulations and regulatory decisions.
2. Verify the implementation of laws, regulations, regulations and decisions regarding its competence.
3. Avoid conflicts of interest and financial and administrative irregularities
4. Describe shortcomings or deficiencies in applicable financial and administrative laws, regulations and regulations and propose remedies.

5. Adherence to the principle of transparency in financial and administrative conduct.
6. Preventive control and ensure proper functioning.
7. Evaluate the performance of the entities controlled by the device, and verify the use of resources in an economic, efficient and effective manner.
8. Disclose the causes of underperformance and production and determine responsibility. State Financial and Administrative Control Act.(2011).

The Financial and Administrative Oversight Body has a set of competencies:

1. Financial control in both accounting and legal aspects.
2. Administrative oversight.
3. Performance control.
4. Oversight of decisions on financial irregularities.
5. Oversight of investments and all accounts of entities subject to the control of the Agency.
6. Any other acts commissioned by His Majesty the Sultan.

As part of the implementation of the Convention's requirements, the Financial and Administrative Oversight Body has undertaken several actions:

1. The Sultanate of Oman completed the review of the implementation of the United Nations Convention against Corruption during the first and second review cycles, with the first review cycle from 2011 to 2015, while the second review period was from 2017 to 2021, and delegations participating in the review process commended the legislative situation in the Sultanate of Oman, in conformity with the procedures required to implement the provisions of the Convention, the Sultanate of Oman has promulgated relevant laws such as the Anti-Money Laundering and Terrorist Financing Act promulgated by Royal Decree No. 30 of 2016, the Penal Code issued by Royal Decree No. 7 of 2018, and the Commercial Companies Act promulgated by Royal Decree No. 18 of 2019.
2. The Council of Ministers approved the study on the amendment of the Law on the Protection of Public Property and the Avoidance of Conflict of Interest promulgated by Royal Decree No. 112 of 2011, with a view to enhancing transparency, impartiality and government action against corruption.
3. Pursuant to article 8 of the United Nations Convention against Corruption, the Financial and Administrative Oversight Body has prepared a Code of Conduct for Civil Servants in the Units of the State's Administrative Organ.
4. The National Plan for the Promotion of Integrity 2022-2030 has been prepared by the Financial and Administrative Oversight Body, with the aim of achieving a set of objectives:
  - Promoting integrity and combating corruption in accordance with an effective legislative system;
  - Promoting a culture of integrity and combating corruption in society.
  - Coordination of efforts and activation of internal cooperation to promote integrity and combat corruption.
  - Strengthening regional and international cooperation in the areas of integrity and combating corruption.
5. In order to increase the effectiveness of the Financial and Administrative Oversight Body (FMO), some measures have been undertaken to this end, including:

- The establishment of certain services in its organizational structure, such as the Financial Disclosure Service, the Complaints and Communications Service, the Communication and Information Service and the Service of International Organizations.
- The Agency has signed a programme of cooperation with the National Financial Information Centre in order to exchange information, experience and skills with all State institutions.
- Holding a series of seminars to raise awareness of the importance of commitment to transparency and integrity and to combat all forms of corruption;
- Dissemination of concepts of integrity and combating corruption in all media and social media accounts;
- Community participation in the International Anti-Corruption Day on 9 December each year.
- Participation in regional and international conferences and workshops on the protection of integrity and the fight against corruption;
- Monitoring and analysis of international indicators relevant to promoting integrity and combating corruption. Bouselma, Hakima, and Abdul Samad, Najwa. (2018).

Malaysia's experience:

The financial crisis of the East Asian States in mid-1997 had played a major role in the Malaysian Government's interest in governance and in the need to enhance transparency and disclosure, given that that crisis had occurred only because of weak governance procedures and lack of transparency in those States. based on the foregoing, in 1998, the Malaysian Government established a governance committee comprising a number of academics, professionals and representatives of the private sector, which concluded with the preparation of a report on the results of its work, highlighting the weaknesses associated with Malaysian business' governance practices and reversing them for a range of reasons.

1. Lack of transparency and disclosure.
2. Lack of oversight and accountability.
3. Non-observance of minority shareholders' rights.

Not only did the Malaysian Government establish the Malaysian Institute for Governance in 1998, with a view to raising the level of governance in Malaysian commercial companies. In this regard, it has developed a series of training programmes on governance and training for its staff.

In 2000, a governance law had been promulgated in Malaysia, focusing on four main points: the Board of Directors, the Executive Director, shareholders and the auditor.

In 2007, the Securities Commission played a major role in promoting the principles of governance in Malaysia, reviewing the Governance Act of 2000 and making some amendments that focused on strengthening the role and responsibilities of the Board of Directors, the Audit Committee and the Internal Audit Committee.

In April 2017, the Governance Act was revised and a set of rules was confirmed:

- Strengthening the role of the Governing Council and affirming its independence.
- Ensuring compliance with laws and all ethical values.
- Recognize the role of managers as custodians and administrators of the company's funds.
- Increasing the level of disclosure and transparency by companies, so that investors can make rational investment decisions.

- Work on the availability of timely and high quality information. Bouselma, Hakima, and Abdul Samad, Najwa. (2018).

France's experience:

The presence of a large number of foreign shareholders and investors in the French financial market in addition to the emergence of pension funds, as well as a genuine desire to modernize the stock market In increasing interest in governance, this is what prompted the National Employers' Council and the National Association of Private Companies to prepare a report called the Viino report. This report contains a series of recommendations, the most important of which are:

1. The composition of the Board of Directors shall include at least two independent members.
2. The need for board members to participate in all strategic decisions of the company.
3. The company's board of directors does not include a large number of members serving in more than five companies.

This report has no conditions for companies to implement its provisions. in addition, there are no requirements for the securities exchange, or any other entity, to disclose whether or not companies are obliged to implement its terms.

In 1996, the French Senate issued a report (Ma Rainey), which included some changes related to governance, including the Board's commitment to form committees with independent powers and the corporate obligation to issue detailed financial reports to all shareholders.

In 1999, a report (Viénault II) was issued, which referred to the statement of the Governing Council's obligations and executive management and their responsibilities, and the protection of shareholders through adequate disclosure in the financial reports.

In 2002, Bouton issued another report in which it emphasized the importance of board members' role in governance. in addition to highlighting the important role played by the Audit Committee, the Remuneration Committee and the need for the External Auditor to be independent in the performance of his/her mandated work.

In October 2003, AFEP-MEDEF compiled the above-mentioned reports in a new report in which they emphasized the need for the annual report of listed companies to include a detailed report on the extent to which they applied the terms of the report, and the reasons why they were not bound by those items or some of them.

## **CONCLUSION**

Since governance is one of the most important mechanisms through which the management of corruption can be combated by commercial companies, all States have taken care of it and adopted several strategies to ensure its effectiveness and fulfilment of its mandated role. This study has produced a series of results:

First, the administrative corruption of commercial companies is one of the most serious pests that causes the company to deviate from its purpose for which it was established.

Second: The phenomenon of administrative corruption is linked to several factors, the most important of which are the lack of transparency, the lack of rational management, the weak role of the company's supervisory bodies and the failure of legislation to keep abreast of what is new at the international level.

Third, administrative corruption has many legal, political, administrative, economic and social causes.



Fourth: Governance plays a significant role in protecting companies from the risks of failure, faltering, financial and administrative bankruptcy, as well as maximizing the financial value of the company, and providing guarantees that will ensure continuity in the conduct of its activity, which has a positive impact on the national economy of any country.

Fifth: Although governance is important as a mechanism for combating corporate administrative corruption, a good governance structure is not only sufficient for boards and committees to function as intended, but also guarantees the integrity and competence of individuals serving on these boards and committees.

Sixth: The fight against administrative corruption requires the adoption of certain strategies, so that companies can be protected from the risk of bankruptcy. The most important of these strategies are good governance, the activation of the role of oversight agencies, management reform and the adoption of technology and artificial intelligence in the management of the company.

### **Recommendations**

Through this study, I have made several recommendations:

First: We hope that the legislator will re-look at governance, as it should be seen not as a goal in itself, as it is not just a procedural oversight process. They are aimed primarily at transparency and integrity. The Company's management should be a rational management that seeks to achieve the interest of the Company and all its clients; Avoiding any conflicts or risks that impede the company's fulfilment of its purpose and provide accountability and accountability to all parties, and do not confuse the functions and responsibilities of all organs of the company This will be achieved only through a competitive performance characterized by transparency, impartiality, fairness and objectivity.

Second: We appeal to the legislator to ensure effective governance in the fight against financial and administrative corruption, to amend all relevant legislation, so as to ensure that the principles of transparency and integrity are adopted in the execution of contracts entered into by the company to ensure the safeguarding of rights, and to fill any gaps in existing laws, so that vulnerable people do not exploit them by taking advantage of their position within the company.

Third: We appeal to the Government to try to take advantage of developed countries' experiences in the transparency and international integrity index by examining the experiences of these States, taking their positives and putting aside their negatives.

Fourth: We recommend that the legislator adopt a foundation for an effective corporate governance system and corporate information technology governance, ensuring transparency, disclosure and integrity.

Fifth: We hope that the legislator will adopt the comprehensive concept of the quality of accounting information, thereby increasing confidence in the financial reports of the company, as this plays a significant role in the company's success in achieving its purpose.

Sixth: We recommend that the legislator ensure that the Companies Act ensures enhanced cooperation between the supervisory and judicial bodies involved in raising the level of integrity and transparency, updating their procedures in a manner commensurate with governance and transparency, as well as supporting financial and administrative oversight agencies in the fight against corruption.

Seventh: We hope that the legislature will adopt a system of right to information in line with the principles set out in article 19 of the Universal Declaration of Human Rights, and amend laws that contravene the right to freedom of information such as the Law on Combating IT Crimes.

Eighth: To strengthen the role of media and e-government, because of their ability to reach the widest possible segment, it is necessary to raise awareness and raise the level of thinking in society about the risks of administrative corruption, and it is a national task in which everyone participates, because the role of society effectively contributes to reducing the phenomenon of administrative corruption, and to employ an incentive to do this.

Ninth: We appeal to the legislator to pay special attention to internal scrutiny and to do his role, as it has an impact on risk management and enhances transparency and integrity within the company.

Tenth. We hope that the legislator will adopt AI systems as a mechanism for corporate governance, that AI will be singled out for special legislation, and that this legislative intervention will include regulating liability for damages caused by the use of AI in corporate governance under explicit provisions.

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