INTERNATIONAL JOURNAL OF ECONOMICS AND FINANCE STUDIES
Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119
Received: 21.09.2025 | **Accepted:** 22.12.2025 | **Published Online:** 30.03.2026

-RESEARCH ARTICLE-

THE POSSIBILITY OF ACTIVATING FINANCIAL AND ADMINISTRATIVE CONTROL SYSTEMS USING IFMIS AND ITS REFLECTION ON TRANSPARENCY IN THE IRAQI GOVERNMENT SECTOR

Mohammed Gazi Alias

Department of Accounting, College of Administration and Economics, University of Baghdad, Iraq
ORCID: https://orcid.org/0009-0009-2900-0681
Email: mohammed.ghazi2206p@coadec.uobaghdad.edu.iq

Safwan Qusay Abdalhaleem Altaha

Department of Accounting, College of Administration and Economics, University of Baghdad, Iraq
ORCID: https://orcid.org/0009-0005-7196-7934
Email: drsafwan@coadec.uobaghdad.edu.iq

─Abstract─

This research aims to find out how the integrated government financial information system (IFMIS) can help towards activating the financial and administrative control systems and how it reflects on transparency among the public sector organizations of Iraq. The IFMIS is one of the modern systems in the domain of the public finance due to the fact that it allows government financial and accounting processes to be in one electronic system. It further helps towards improving the transparency. The study used a descriptive, statistics, frequency distribution and two step approach while collecting the data from 460 employees as linked with the Iraqi government institutions. The results provide some good diversification in terms of demographics, descriptive statistics and two step approach. The results shows that IFMIS adoption significantly improves the activation of the control system (coefficient value = 0.814, t = 31.751, p = 0.000) and indirectly increases transparency (indirect effect = 0.922, t = 11.837, p = 0.000). Also, the results confirm that IFMIS has a direct effect on transparency (coefficient = 0.333, t = 3.761, p = 0.000). The study concludes that using IFMIS with

Citation (APA): Alias, M. G., Altaha, S. Q. A. (2026). The Possibility of Activating Financial and Administrative Control Systems Using IFMIS and its Reflection on Transparency in the Iraqi Government Sector. *International Journal of Economics and Finance Studies*, 18(01), 397-416. doi: 10.34109/ijefs.202618119

activated control systems is an important step towards the better governmental financial management along with good governance and transparency in the similar sector.

Keywords: Integrated Government Financial Information System, Financial Control, Administrative Control, Financial Transparency, Government Financial Management, Government Governance.

INTRODUCTION

The concept of integrated management systems (from here after as IMS) generally refers to the combined implementation and certification of factors like quality, environmental, and health & safety management systems (Freitas et al., 2025). Several organizations around the globe have adopted the IMS to enhance overall performance, streamline processes, and effectively meet the needs and expectations of their stakeholders (Malik, 2024). Similarly, governments and public sector organizations around the world are growingly adopting the digital transformation projects to improve efficiency, reduce costs, and enhance the experience of citizens and their customers (Hendriks, 2012). Over the past decade, for this reason, the e-Government initiatives have become a mature field (Tetteh et al., 2022). However, the developing economies are still facing some sort of unique challenges while applying this system to their functional areas (Tetteh et al., 2022). For instance, after the global financial crisis as occurred in 2008, the central governments in various developing countries observed the need to implement e-Government reforms to stabilize their economies (Simpson et al., 2020). Despite there is a rise in the public demand for services, however, these governments often lacked with the range of resources to create effective policies while perform administrative tasks (Njonde & Kimanzi., 2014). To address these challenges, economies of the world have turned to digital government processes, which is entitled as integrated financial management information systems. The key purpose of this system is to enhance accountability and efficiency in public financial management and related decision (Lassou, 2017).

From the regional context of Iraq, it is believed that IFMIS represents a modern solution to integrate financial and accounting processes into a single electronic platform. Among several, the core purpose is to promote the transparency. Therefore, trough combining the administrative oversight with technological solutions, IFMIS tends to make more accurate and timely reporting, along with a reduction in the errors. Meanwhile, the given system not only provides direct improvements in transparency but also facilitates and promotes the activation of control mechanisms. In the modern era, both in developed and emerging economies, managing the public funds is one of the most sensitive aspects of governance (Abata & Adejuwon, 2012). This is because the economic growth of any country is significantly depending on how its resources are managed and utilized (Jie et al., 2023). In the country like Iraq, the management of public firms is among the

core obligations of Ministry of Finance. For this purpose, the country is taking some active initiatives for improving the financial management, public investment, cash management, and similar other activates (Ahmed et al., 2025). However, mismanagement in all these matters have also been observed. This reflects that financial management in public service has become a critical issue in the regional like Iraq; hence it cannot be neglected. Whenever the topic arises, the first things that come to mind are corruption, mismanagement, inflated contracts, declining standards, and the deterioration of public facilities. For this purpose, there is a strong need to properly utilize the integrated financial management information system.

Besides, the activation of financial control system is an important mediator on the nexus between IFMIS and transparency because. The reason is that it represents the practical mechanisms through which the features of the systems are translated into real improvements. Meanwhile, the title of IFMIS provides the technological infrastructure for managing financial data, control systems ensure that policies are enforced, errors are detected, and compliance is maintained. Without these activated controls, the information generated by IFMIS may not lead to greater transparency.

Based on the given justification and introductory debate, the study has formulated the following research questions:

1. What is the impact of integrated financial management information system on the transparency of the public financial management among the governmental organizations of Iraq/
2. What is the mediating role of activation of control system on the relationship between IFMIS and transparency in public financial management.

LITERATURE REVIEW

The relationship between IFMIS and transparency in the public financial management has been gaining a growing attention in the literature. For instance, Awudu et al. (2024) examine the IFMIS in the Ghana region which affects financial accountability and transparency in local government districts. For this reason, the study uses a quantitative approach and OLS regression has been applied. The core factors like government policies, organizational culture, resources, technology, user acceptance, and training were also under consideration. The results through OLS estimation shows that technological infrastructure, resources, organizational culture, and government policies have their key role in improving the accountability and transparency. Additionally, the low user acceptance and insufficient training have limited the effectiveness of the system. Moreover, the further findings are saying that decentralization was found to weaken these effects. It is suggested that there is a strong need to focus on the better user training, harmonizing the financial practices, and strengthening policies and resources to support transparency.

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

Another study conducted by Olatinsu and Eke (2025) reveals that public financial management needs a strong audit trails and clear reporting due to several reasons. This makes sure that the money is used in the right direction. But in many developing countries, poor documents, weak disclosure and bad internal controls are negatively affecting the accountability. This study looks at how audit trails and transparency affect internal control in three regions named Nigeria, Kenya, and Ghana. Data came from 420 people in government ministries and agencies by using the surrey questionnaire. The results are based on simple regression estimation. The findings show that audit trails and transparency explain an overall 52% of control effectiveness. Moreover, those agencies which are good in digital audit records are timely reporting are good in performance. The further investigation shows that among the selected economies, Kenya had the strongest link between digital audits and control, while Nigeria was weaker. Regression shows audit trail strength through a coefficient of 0.46, where $p < 0.001$, and transparency value of 0.33, $p < 0.001$. The study says better audit trails, digital records, and safe data storage improve control and accountability. Transparency also helps, reduces corruption and builds trust. Real-time audit docs and open reports are very important for good internal control and governance. Policies should focus on audit automation, training auditors, and rules for disclosure.

Freitas et al. (2025) claim that people talk a lot about IMS certification. Some are saying that the certification helps towards the financial stability, but few studies prove it. Additionally, the prediction of future performance is still unclear. Their study tests the role of artificial intelligence to predict financial KPIs in companies with IMS certification and companies without it. Then results were compared to see differences. The findings show that predictions from IMS-certified companies were more accurate. The study proves artificial neural network can predict financial performance indicators. It also shows some benefits of IMS certification for companies.

Moreover, the existing studies also investigates about the role of activation of control systems towards the transparency in the public financial management. Pustovit et al. (2025) explain that transparency and accountability are shaping how governments plan, finance, and monitor public-private partnership projects. This article analyses the administrative and legal mechanisms as used in the public financial management for PPP projects. The study takes the sample from the EU countries from 2000 to 2024. A comparative legal analysis and structural analysis of administrative models were applied to examine tender openness, disclosure standards, communication practices, audit independence, system integration, and digitalization, respectively. The findings show that there is a presence of uneven progress across EU states. Many countries have embedded the transparency requirements into PPP governance, but the region of Spain, Poland, and Belgium have applied these mechanisms on partial grounds. Additionally, Romania shows the weakest position, with no clear transparency mechanism in the financial management. Besides, the digital systems also vary across countries where the countries like Italy, Sweden, France, and the Netherlands have made stronger progress.

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

Although the direct relationship between IFMIS, Transparency in public financial management and activation of the control system has provided some mixed number of results, yet the literature is lacking with testing the mediating role of activation of control system on the relationship between IFMIS and transparency in the public financial management. Therefore, the study has developed the following hypotheses and framework as shown in Figure 1.

H1: *The relationship between IFMIS and transparency in the public financial management significantly and positively exists.*
H2: *the nexus between activation of control system and transparency in the public financial management is positive and significant.*
H3: *Activaition of control system significantly mediates on the relationship between IFMIS and transparency in the public financial management.*

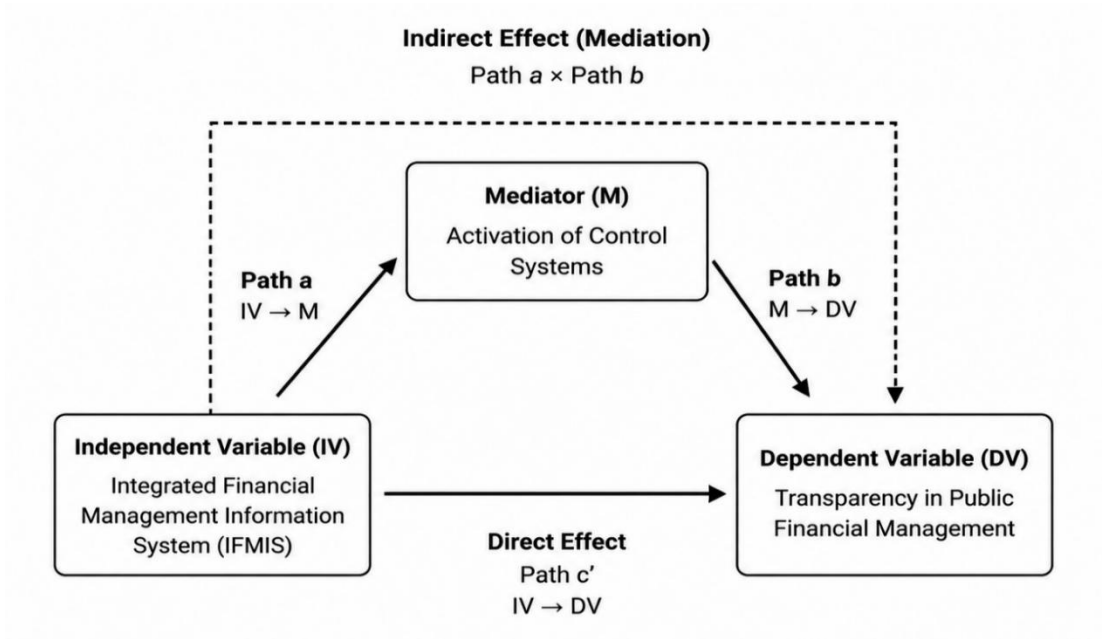

Figure 1: Study Framework

METHODOLOGY

The methodological implication of this research comprises several concepts, tools and statistical techniques. A flow chart of the methodological process being adopted is given in Figure 2. Initially a questionnaire was developed by the authors (see Appendix-1) covering the variables by using the five points scale; strongly disagree to strongly agree. For IFMIS and transparency in public financial management ten items for which were used, whereas for the key mediator (activation of control system) a total of eight items were added in the questionnaire. Additionally, six demographic factors were also added to capture the heterogeneity in the respondents' profile. The questionnaire went through

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

both pre-testing and pilot testing procedures. For pilot testing a sample of 35 respondents were used through SPSS. Alpha scores for all three constructs were found as 0.852, 0.721, and 0.883, respectively. These values are well above the provided threshold level of 0.70 as expressed in the literature (Hussey et al., 2025; Zitzmann & Orona, 2025).The other details are given in the flowchart below Figure 1.

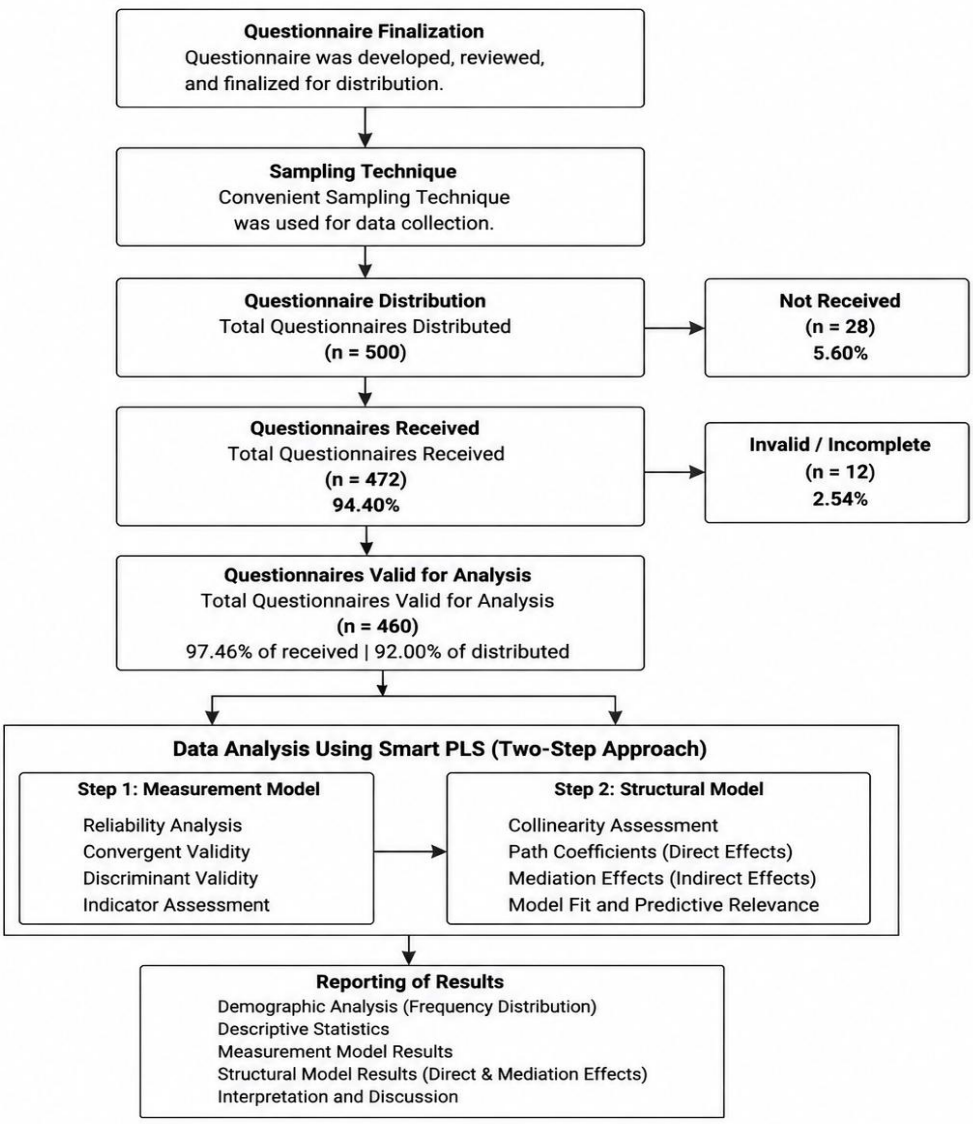

Figure 2: Methodological Flowchart

ANALYSIS AND DISCUSSION

This study applies the frequency distribution as the first method of data analysis. The given method is very useful while providing the core information related to the profile

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

of the respondents (Crema, 2022; Yusuf et al., 2014; Zitzmann & Orona, 2025). The demographic analysis is covered using the frequency distribution and % share of each of the sub-categories as given in Table 1. Overall, out of sample of 460 respondents from the Iraqi Government Sector, majority are in age range of 30-39 years, covering a frequency of 156 along with the % share of 33.91%.

Table 1: Demographic distribution

Demographic Variable	Category	Frequency (n)	Percentage (%)
Age	20–29	72	15.65
	30–39	156	33.91
	40–49	128	27.83
	50–59	78	16.96
	60+	26	5.65
	Total	460	100.00
Gender	Male	286	62.17
	Female	164	35.65
	Prefer not to say	10	2.17
	Total	460	100.00
Educational Qualification	Diploma	54	11.74
	Bachelor's	218	47.39
	Master's	142	30.87
	PhD	34	7.39
	Other	12	2.61
	Total	460	100.00
Department/Unit	Financial	168	36.52
	Supervisory	96	20.87
	Audit	82	17.83
	Administrative	88	19.13
	Other	26	5.65
	Total	460	100.00
Years of Experience in Current Institution	<1 year	38	8.26
	1–5 years	104	22.61
	6–10 years	146	31.74
	11–15 years	108	23.48
	16+ years	64	13.91
	Total	460	100.00
Familiarity/Experience with IFMIS	Beginner	58	12.61
	Intermediate	176	38.26
	Advanced	148	32.17
	Expert	56	12.17
	No Experience	22	4.78
	Total	460	100.00

The age distribution highlights a strong representation of mid-career professionals' workers as linked with the Iraqi government sector, followed by those who are in the

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

age range of 40–49 years. This category is accounted for 27.83% of the total sample of the study. Moreover, the younger employees are in the age range of 20–29 years constituting the share of 15.65%. additionally, those which are above 50 years are making up a smaller portion.

In terms of gender, the sample shows a higher representation of males, with 286 respondents or 62.17% of the total 460 respondents. However, the study shows that female respondents are accounted for 35.65%, and a small portion, 2.17%, preferred not to disclose their gender. In the further debate, the study focuses on the educational qualifications which are also observed with the varying numbers and percentage share. For example, those who are holding a bachelor's degree are making up 47.39% of the sample of 460, followed by master's degree holders. Diploma holders and PhD graduates represent smaller shares as study respondents with a share of 11.74% and 7.39% respectively.

In addition, the departmental affiliation of the respondents cover that the largest group of respondents are coming from the financial department (36.52%), being followed by administrative and supervisory units. Meanwhile, the level of experience levels varies as per the data in Table 1. For instance, with the largest segment having 6-10 years of service (31.74%), followed closely by employees with 1-5 years (22.61%) and 11-15 years (23.48%, accordingly. Meanwhile, level of familiarity with IFMIS is mostly at the intermediate and advanced levels, with 38.26% and 32.17% respectively. Figure 2 covers the graphical layout of the demographics by mixing different categories for a better visualization.

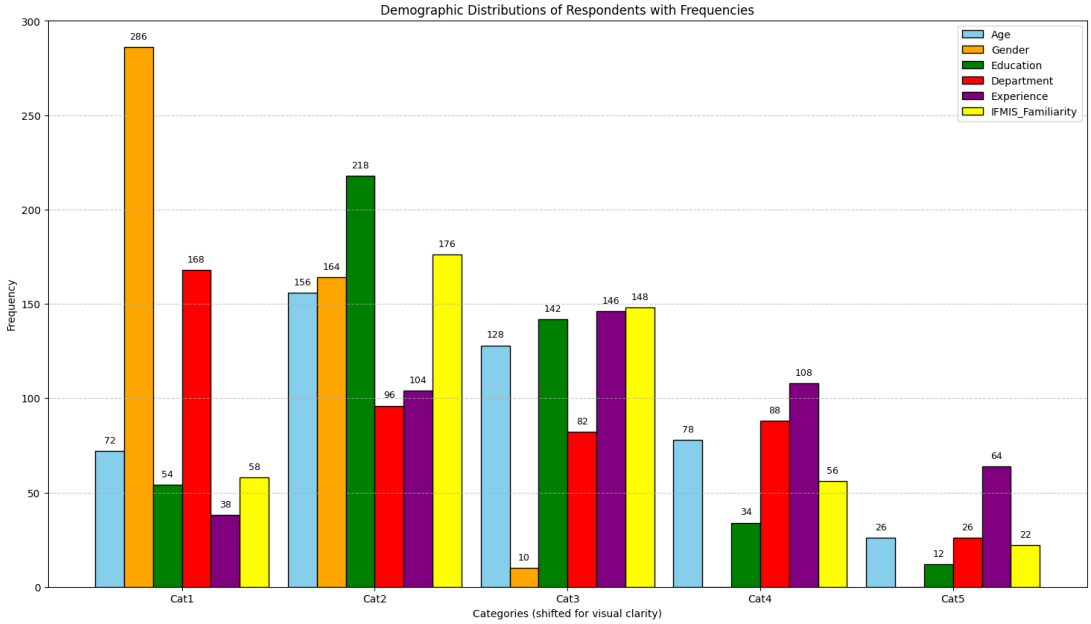

Figure 3: Distribution of Demographics

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

Existing literature provides value support regarding the measures of central tendency and measures of dispersion. The reason is that Central tendency shows the typical or average value, while dispersion indicates how much the data varies. Together, they provide a complete picture of the data's distribution and help in making informed decisions (Aslam, 2026; Malakar, 2023). Descriptive output is reported in Table 2. It is showing the perceptions of 460 respondents regarding IFMIS adoption, the activation of control systems, and transparency which are the main variables of this study. Overall, the mean scores indicate that most respondents agree or strongly agree with the statements (See last column of Table 2), which is reflecting a positive perception of the effectiveness of the system. For example, items like automating routine operations and reducing manual errors received "Strongly Agree" ratings. Similarly, statements related to control systems and transparency, such as error reduction and accountability, are also showing higher mean values. The standard deviations are relatively low for the given items of the study. This means that while providing the responses, the respondents remain consistent. In general, the results illustrate that IFMIS and activated control systems are perceived to contribute significantly to improved transparency and governance in the Iraqi government sector which indeed a good indication. For a better understanding, please review the interpretation given in Table 2 below.

Table 2: Descriptive Statistics

Variable	Obs.	Mean	Std. Dev.	Min	Max	Interpretation
IFMIS integrates all financial data within my department	460	4.04	0.40	2	5	Agree
IFMIS automates routine financial operations effectively	460	4.72	0.51	2	5	Strongly Agree
IFMIS allows the preparation of accurate reports on time	460	4.00	0.34	2	5	Agree
IFMIS ensures the accuracy of financial information	460	4.00	0.36	2	5	Agree
IFMIS provides ease of access to financial data when needed	460	3.95	0.47	2	5	Agree
IFMIS supports real-time monitoring of budget expenditures	460	3.91	0.37	1	5	Agree
IFMIS reduces manual errors in financial processes	460	4.75	0.68	1	5	Strongly Agree
IFMIS improves the efficiency of financial decision-making	460	3.98	0.45	1	5	Agree
IFMIS enhances coordination between different financial units	460	3.91	0.47	1	5	Agree
IFMIS simplifies compliance with financial regulations	460	3.98	0.49	1	5	Agree
Financial control procedures (compliance, audit, expenditure tracking) are effectively implemented	460	3.96	0.43	1	5	Agree
Administrative control enhances operational efficiency in my department	460	3.98	0.44	1	5	Agree
Decision-making is improved through activated control systems	460	3.94	0.38	1	5	Agree

Errors and violations in financial management are reduced	460	4.80	0.59	1	5	Strongly Agree
Accountability is enhanced among staff through control systems	460	4.77	0.58	1	5	Strongly Agree
Financial controls ensure proper resource allocation	460	3.89	0.39	1	5	Agree
Administrative controls improve overall performance of my department	460	3.90	0.43	1	5	Agree
Control systems help detect and prevent fraudulent activities	460	3.90	0.39	1	5	Agree
Financial information is presented clearly and understandably	460	3.92	0.38	1	5	Agree
Public or internal stakeholders have easy access to financial information	460	3.83	0.52	1	5	Agree
Accountability and questioning are promoted through IFMIS	460	3.84	0.49	1	5	Agree
Trust in government institutions has improved due to financial transparency	460	3.86	0.51	1	5	Agree
Financial and administrative corruption has been reduced	460	4.72	0.68	2	5	Strongly Agree
Reports from IFMIS provide reliable data for decision-making	460	3.89	0.47	1	5	Agree
Transparency in budget allocations is evident	460	4.74	0.66	1	5	Strongly Agree
Transactions are recorded and traceable for audit purposes	460	3.96	0.58	1	5	Agree
Financial disclosures are timely and accurate	460	4.73	0.67	2	5	Strongly Agree
Management decisions are open to review due to transparency mechanisms	460	3.87	0.41	2	5	Agree

Note: 1.00–1.79 = Strongly Disagree, 1.80–2.59 = Disagree, 2.60–3.39 = Neutral, 3.40–4.19 = Agree, 4.20–5.00 = Strongly Agree

The measurement model is the basic model which helps to test the reliability and validity of both latent constructs and their respective items. Table 3 is meant for this purpose, showing the variables on the extreme left followed by the alpha values (all are above 0.70). these values confirm the model's variables are reliable as measured through their selected items. The composite reliability is also measuring the same concept where the values are also above 0.70. However, the convergent validity is a basic method to investigate the relative variance of each of the latent constructs. These variances are above 0.50 threshold, hence, determines that convergent validity is also achieved on reasonable grounds.

In the next phase, HTMT ratio is presented. This is the first measure to confirm whether the model has achieved the discriminant validity among the variables (Dirgiatmo, 2023; Rasoolimanesh, 2022). For example, the variables like ACS, IFMIS, and TRAP reflect the HTMT ratio as less than 0.85, therefore, first method has confirmed that discriminant validity exists. Furthermore, Table 3 shows the Fornell Larcker output

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

which indicates that square root of AVE must be greater than the relative correlations of the variables (Li & Lay, 2024; Voorhees et al., 2016). Figure 4 is reporting the measurement model output in terms of loadings of the relative items confirming the discriminant validity for the individual items too. Figure 5 reports the alpha values.

Table 3: Reliability, convergent and discriminant validity

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
ACS	0.880	0.896	0.907	0.552
IFMIS	0.905	0.927	0.920	0.537
TRAP	0.941	0.948	0.952	0.715
HTMT				
Variables	ACS	IFMIS	TRAP	
ACS				
IFMIS	0.753			
TRAP	0.441	0.567		
Fornell Larcker				
variables	ACS	IFMIS	TRAP	
ACS	0.743			
IFMIS	0.414	0.733		
TRAP	0.562	0.589	0.745	

IFMIS; integrated financial management information system, ACS; activation of control system, TRAP; transparency in the public financial management.

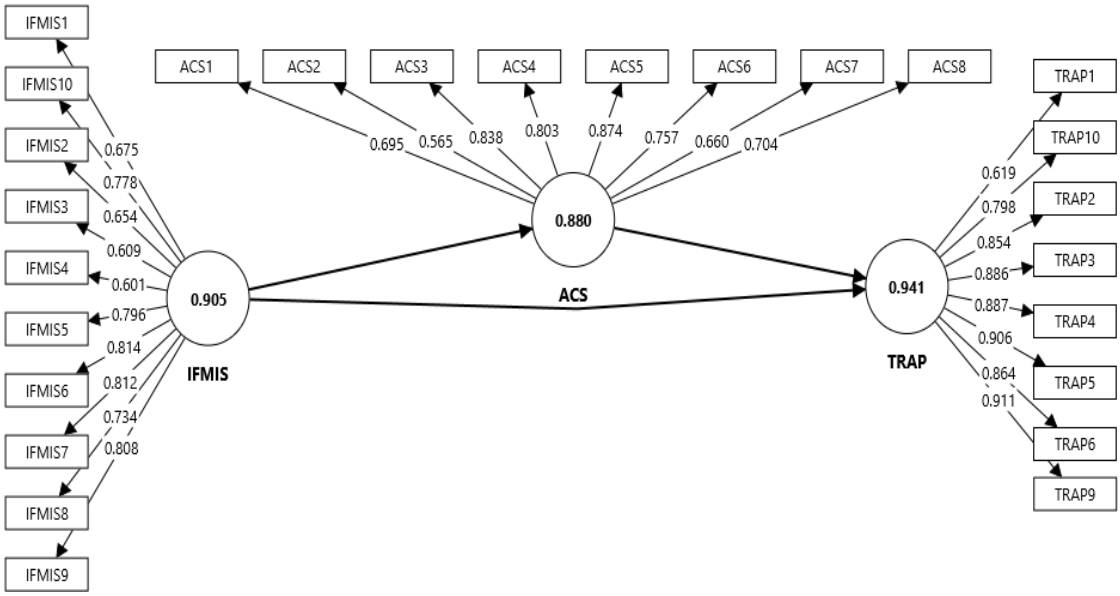

Figure 4: Individual Items Loading

IFMIS; integrated financial management information system, ACS; activation of control system, TRAP; transparency in the public financial management.

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

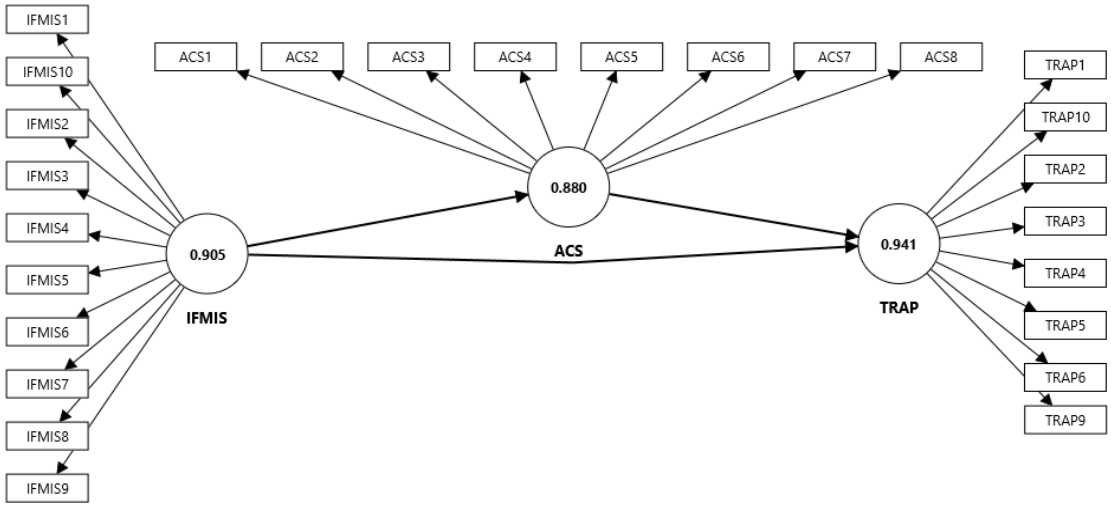

Figure 5: Alpha values

IFMIS; integrated financial management information system, ACS; activation of control system, TRAP; transparency in the public financial management.

The analysis of the structural model is the basic method to check whether the relationships between the variables is significant or not (Hair & Alamer, 2022; Vaithilingam et al., 2024). Moreover, it also provides the output in terms of explanatory power of the model; the R-square which helps in examining the overall explained variation in the main outcome variable (Ozili, 2023; Sari, 2023; Widodo et al., 2023). This is well presented using the Figure 5 below, where it is found that for both endogenous variables, the R-square value is good which is 0.66 for the ACS and 0.780 for the TRAP. Specifically, for the TRAP, it shows that overall, there is a change of 78% in the main outcome variable as determined by the set of other variables in the similar model. This is well covered in Figure 6.

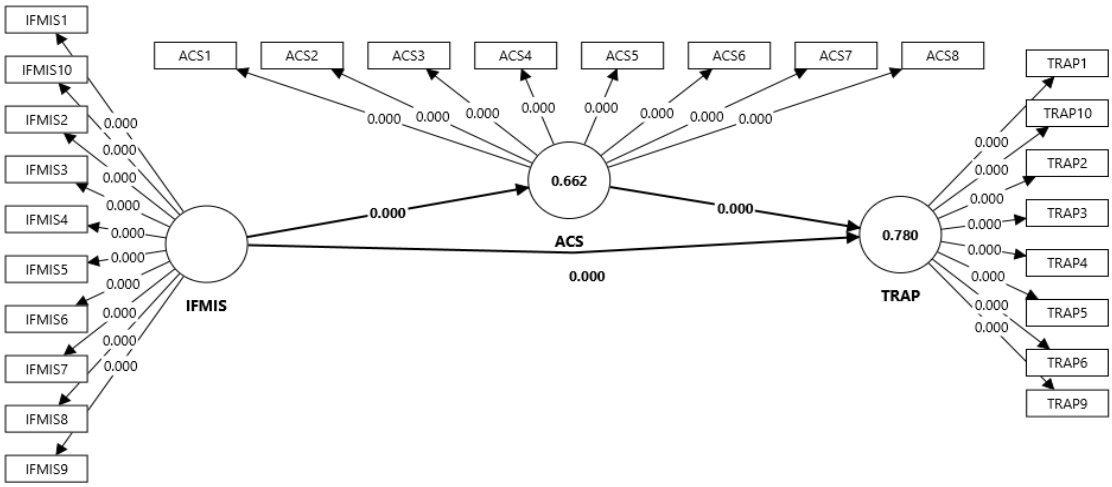

Figure 6: R-square of the Model

IFMIS; integrated financial management information system, ACS; activation of control system, TRAP; transparency in the public financial management.

The first relationship in Table 4 examines the effect of the activation of control systems (ACS) on transparency in public financial management. The results show a good positive impact with a path coefficient of 1.133. this show that a higher activation of financial and administrative controls is associated with greater transparency in public financial management. The t-value of 14.761 is well above the critical threshold of 1.96. The p-value is 0.000, which is significant at 1% level of significant, hence confirming that the result is not due to chance. This implies that enhancing control mechanisms directly supports transparency and accountability in government financial processes, as perceived by the respondents among the public sector entities of Iraq.

Table 4: Structural Model Results (Direct Impact)

	Original sample (O)	Sample mean (M)	Standard deviation	T statistics	P values
ACS -> TRAP	1.133	1.144	0.077	14.761	0.000
IFMIS -> ACS	0.814	0.818	0.026	31.751	0.000
IFMIS -> TRAP	0.333	0.341	0.088	3.761	0.000

The second relationship considers the impact of IFMIS adoption on the activation of control systems (ACS). Here, the results determine that the path coefficient is 0.814. This means that the effective use of IFMIS significantly promotes the implementation and activation of internal financial and administrative controls among the public sector organizations of Iraq. The t-value of 31.751 is extremely high. Where the p-value is 0.000. The finding suggests that IFMIS is an important technological enabler, providing tools and systems that strengthen control procedures within government institutions.

The third relationship assesses the direct effect of IFMIS on transparency or TRAP. The path coefficient is 0.333, which indicates a moderate but positive direct impact. The t-value is 3.761, showing that the effect is statistically significant, and the p-value of 0.000 confirms this significance. This implies that while IFMIS contributes directly to transparency, part of its influence is also likely mediated through the activation of control systems. In other words, IFMIS enhances transparency both by improving control mechanisms and by providing reliable and timely financial information directly. Figure 7 reports the p-values of the model.

IFMIS; integrated financial management information system, ACS; activation of control system, TRAP; transparency in the public financial management.

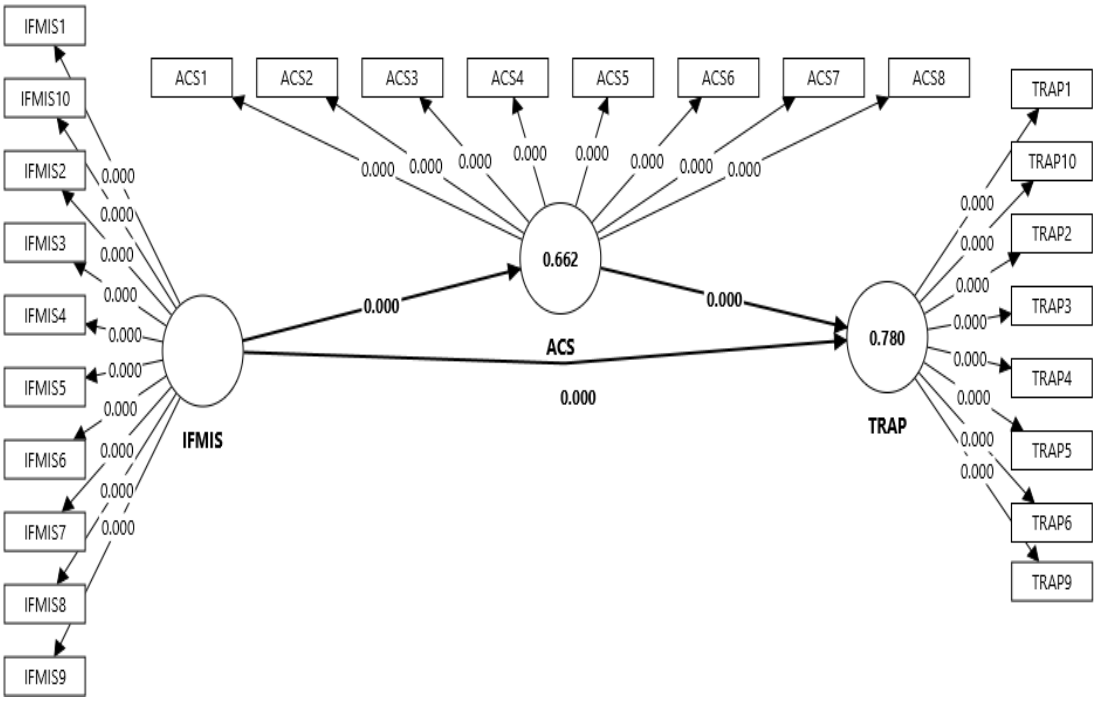

Figure 7: SEM results showing P-values

The mediating effect of ACS is covered in Table 5 showing the original sample coefficient and sample mean coefficients are 0.922 and 0.936. The level of standard deviation in this coefficient is much lower which is 0.078. By considering both the coefficient and standard deviation, the resulting output is in the form of 11.837 and p-value as 0.000. through this result, the study infers that there is a significant and positive mediating effect of ACS on the relationship between IFMIS and TRAP of the public sector organizations of Iraq. The results provide useful insight while claiming that this mediation is partial in nature, where the direct effect of IFMIS on TRAP is also significant as shown in Table 4. Figure 8 reports this mediating effect.

Table 5: Testing the Mediating Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
IFMIS -> ACS -> TRAP	0.922	0.936	0.078	11.837	0.000

IFMIS; integrated financial management information system, ACS; activation of control system, TRAP; transparency in the public financial management.

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

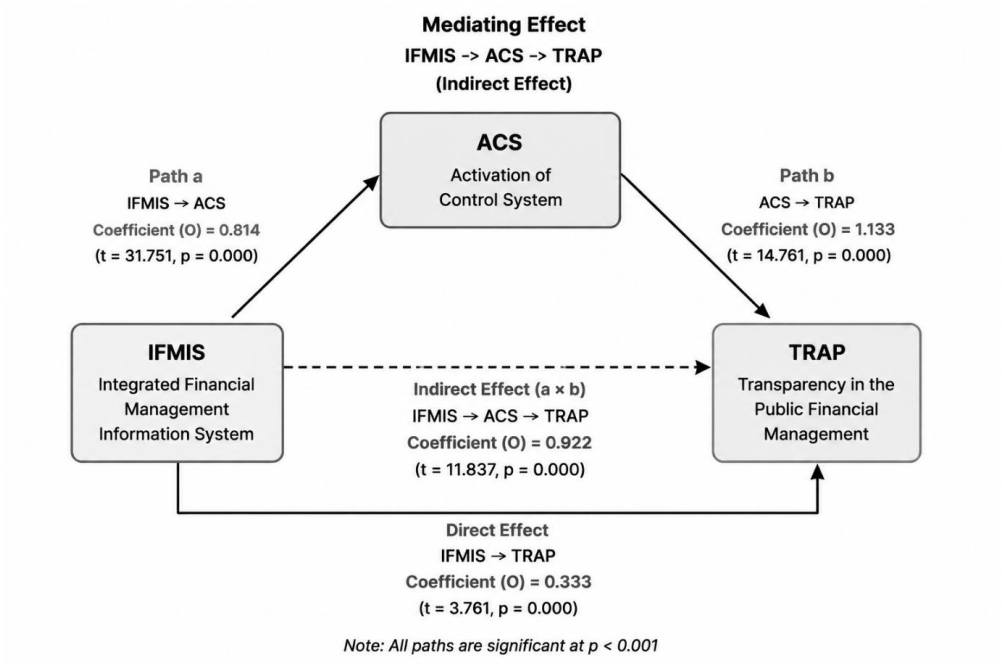

Figure 8: Mediation analysis output

CONCLUSION AND RECOMMENDATION

This study has explored the possibility of activating financial and administrative control systems by utilizing the integrated financial management information System (IFMIS). This is well analyzed by examining the impact of IFMIS on the transparency in public financial management in the Iraqi government sector. The findings indicate that IFMIS adoption has a significant and positive impact not only on the activation of control systems but also on the transparency. On specific note, the activation of control systems has significantly mediated the relationship between IFMIS-transparency, where it is highlighting the importance of structured financial and administrative controls, respectively. These results are claiming that IFMIS contributes towards the improvement in the operational efficiency, reducing errors, and strengthening accountability.

The initial analysis covers the descriptive statistics which reveals that respondents perceive IFMIS as highly effective. Similarly, the activation of control systems is seen as vital component towards implementing the financial controls, improving decision-making, and promoting accountability among the public sector organizations of Iraq. The structural model confirms that IFMIS has both a direct and indirect impact on transparency, where the indirect effect is partial in nature. The study also highlights the role of user familiarity and training in maximizing the benefits of IFMIS. The overall findings are also based on the key demographics which show a good diversification among 460 respondents as considered for the empirical estimation. In conclusion, it is

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

inferred that IFMIS, when combined with activated financial and administrative controls, tend to paly its role as a powerful tool to enhance transparency and accountability in the Iraqi government sector.

The study offers the following policy recommendations for the public firms in Iraq specifically and for the other regional organizations on general note.

- First, the governmental policymakers are suggested to expand the IFMIS adoption across all relevant departments to ensure full integration of financial processes and real-time monitoring of expenditures. Additionally, the consistent usage of IFMIS will improve the concepts like data accuracy, reduce errors, and facilitate timely decision-making. Besides, the standardization of the procedures will also prevent discrepancies and ensure the uniform implementation across several departments and functional areas of public firms.
- Second, the activation and boosting of the financial and administrative control systems must be prioritized among the public firms of Iraq. This is because since the IFMIS provides technological support, control systems ensure compliance, accountability, and monitoring of operations. Furthermore, the study recommends that training programs should be equipped for the employees.
- Third, it is claimed that there is a strong need for a continuous training and technical support for these organizations. The study shows that familiarity with IFMIS affects how effectively control systems are being used in the similar sector.
- Fourth, policy makers are suggested to monitor and evaluate the mechanisms that should be established to assess the effectiveness of IFMIS and control systems among these firms.

Lastly, the study has several limitations. For example, the sample size is entirely based on the public firms where no consideration was given to private firms in the same region. Additionally, only the quantitative investigation was conducted by collecting the data using the questionnaire approach. Besides, this research has considered only one explanatory variable to determine the trends in transparency in the public financial management. Future studies are recommended to focus on these boundaries to expand the literature contributions and better policy suggestions.

APPENDIX-A

Questionnaire

Title: The Possibility of Activating Financial and Administrative Control Systems Using IFMIS and its Reflection on Transparency in the Iraqi Government Sector
Instructions: Please indicate your response to each statement by checking the appropriate box.
Scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

Section 1: Independent Variable – IFMIS (10 items)

#	Statement	1	2	3	4	5
1	IFMIS integrates all financial data within my department.	☐	☐	☐	☐	☐
2	IFMIS automates routine financial operations effectively.	☐	☐	☐	☐	☐
3	IFMIS allows the preparation of accurate reports on time.	☐	☐	☐	☐	☐
4	IFMIS ensures the accuracy of financial information.	☐	☐	☐	☐	☐
5	IFMIS provides ease of access to financial data when needed.	☐	☐	☐	☐	☐
6	IFMIS supports real-time monitoring of budget expenditures.	☐	☐	☐	☐	☐
7	IFMIS reduces manual errors in financial processes.	☐	☐	☐	☐	☐
8	IFMIS improves the efficiency of financial decision-making.	☐	☐	☐	☐	☐
9	IFMIS enhances coordination between different financial units.	☐	☐	☐	☐	☐
10	IFMIS simplifies compliance with financial regulations.	☐	☐	☐	☐	☐

Section 2: Mediating Variable – Activation of Control Systems (8 items)

#	Statement	1	2	3	4	5
1	Financial control procedures (compliance, audit, expenditure tracking) are effectively implemented.	☐	☐	☐	☐	☐
2	Administrative control enhances operational efficiency in my department.	☐	☐	☐	☐	☐
3	Decision-making is improved through activated control systems.	☐	☐	☐	☐	☐
4	Errors and violations in financial management are reduced.	☐	☐	☐	☐	☐
5	Accountability is enhanced among staff through control systems.	☐	☐	☐	☐	☐
6	Financial controls ensure proper resource allocation.	☐	☐	☐	☐	☐
7	Administrative controls improve overall performance of my department.	☐	☐	☐	☐	☐
8	Control systems help detect and prevent fraudulent activities.	☐	☐	☐	☐	☐

Section 3: Dependent Variable – Transparency (10 items)

#	Statement	1	2	3	4	5
1	Financial information is presented clearly and understandably.	☐	☐	☐	☐	☐
2	Public or internal stakeholders have easy access to financial information.	☐	☐	☐	☐	☐
3	Accountability and questioning are promoted through IFMIS.	☐	☐	☐	☐	☐
4	Trust in government institutions has improved due to financial transparency.	☐	☐	☐	☐	☐
5	Financial and administrative corruption has been reduced.	☐	☐	☐	☐	☐
6	Reports from IFMIS provide reliable data for decision-making.	☐	☐	☐	☐	☐
7	Transparency in budget allocations is evident.	☐	☐	☐	☐	☐
8	Transactions are recorded and traceable for audit purposes.	☐	☐	☐	☐	☐
9	Financial disclosures are timely and accurate.	☐	☐	☐	☐	☐
10	Management decisions are open to review due to transparency mechanisms.	☐	☐	☐	☐	☐

Vol: 18 **No:** 01 **Year:** 2026 **ISSN:** 1309-8055 (Online) (**pp.** 397-416) **Doi:** 10.34109/ijefs.202618119

Section 4: Demographics (6 items)

#	Question	Options
1	Age	☐ 20–29 ☐ 30–39 ☐ 40–49 ☐ 50–59 ☐ 60+
2	Gender	☐ Male ☐ Female ☐ Prefer not to say
3	Educational Qualification	☐ Diploma ☐ Bachelor's ☐ Master's ☐ PhD ☐ Other: _____
4	Department/Unit	☐ Financial ☐ Supervisory ☐ Audit ☐ Administrative ☐ Other: _____
5	Years of Experience in Current Institution	☐ <1 year ☐ 1–5 years ☐ 6–10 years ☐ 11–15 years ☐ 16+ years
6	Familiarity/Experience with IFMIS	☐ Beginner ☐ Intermediate ☐ Advanced ☐ Expert ☐ No Experience

REFERENCES

Abata, M. A., & Adejuwon, K. D. (2012). Accountability and transparency in public financial management in Nigeria: challenges and prospects. International Journal of Marketing and Technology, 2(5), 14. https://indianjournals.com/article/ijmt-2-5-002

Ahmed, B. A., Ahmed, D. K., & Salih, B. M. (2025). The Role of Fiscal Policy in Encouraging Investment with Reference to the Kurdistan Region of Iraq. Civil Officium: Journal of Empirical Studies on Social Science, 5(2), 71-87. https://doi.org/10.53754/3wkd3c51

Aslam, M. (2026). Misuse of uniform distribution in interval data analysis: effects on central tendency and dispersion. Journal of Statistical Computation and Simulation, 96(7), 1694-1708. https://doi.org/10.1080/00949655.2025.2604797

Awudu, S., Nugraha, N., Furqon, C., Sari, M., & Yuliawati, A. (2024). Factors influencing Financial Transparency and Accountability in Local Government: Evidence from IFMIS implementation in Ghana. Jurnal ASET (Akuntansi Riset), 16, 345-360. https://doi.org/10.17509/jaset.v16i2.74873

Crema, E. R. (2022). Statistical inference of prehistoric demography from frequency distributions of radiocarbon dates: a review and a guide for the perplexed. *Journal of Archaeological Method and Theory*, *29*(4), 1387-1418. https://doi.org/10.1007/s10816-022-09559-5

Dirgiatmo, Y. (2023). Testing The Discriminant Validity and Heterotrait–Monotrait Ratio of Correlation (HTMT): A Case in Indonesian SMEs. In *Macroeconomic Risk and Growth in the Southeast Asian Countries: Insight from Indonesia* (Vol. 33A, pp. 0). Emerald Publishing Limited. https://doi.org/10.1108/S1571-03862023000033A011

Freitas, F., Costa, L., Domingues, P., & Carvalho, A. M. (2025). The effects of Integrated Management System certification in financial stability and effective

indicator forecasting: a test case using Artificial Neural Networks. Procedia Computer Science, 253, 74-83. https://doi.org/10.1016/j.procs.2025.01.071

Hair, J., & Alamer, A. (2022). Partial Least Squares Structural Equation Modeling (PLS-SEM) in second language and education research: Guidelines using an applied example. Research methods in applied linguistics, 1(3), 100027. https://doi.org/https://doi.org/10.1016/j.rmal.2022.100027

Hendriks, C. J. (2012). Integrated Financial Management Information Systems: Guidelines for effective implementation by the public sector of South Africa. South African Journal of Information Management, 14(1), 1-9. https://hdl.handle.net/10520/EJC128731

Hussey, I., Alsalti, T., Bosco, F., Elson, M., & Arslan, R. (2025). An aberrant abundance of Cronbach's alpha values at. 70. *Advances in Methods and Practices in Psychological Science*, *8*(1), 25152459241287123. https://doi.org/10.1177/25152459241287123

Jie, H., Khan, I., Alharthi, M., Zafar, M. W., & Saeed, A. (2023). Sustainable energy policy, socio-economic development, and ecological footprint: The economic significance of natural resources, population growth, and industrial development. Utilities Policy, 81, 101490. https://doi.org/10.1016/j.jup.2023.101490

Lassou, P. J. C. (2017). State of government accounting in Ghana and Benin: A "tentative" account. Journal of Accounting in Emerging Economies, 7(4), 486-506. https://doi.org/10.1108/JAEE-11-2016-0101

Li, W., & Lay, Y. F. (2024). Examining the reliability and validity of measuring scales related to informatization instructional leadership using PLS-SEM approach. *Dinamika Jurnal Ilmiah Pendidikan Dasar*, *16*(1), 12-32. DOI: 10.30595/dinamika.v16i1.19768

Malik, M. A. M. (2024). Implementing an Integrated Management System (IMS) to Optimize Procurement and Supplier Development Processes in a Manufacturing Company: A Case Study. https://urn.fi/URN:NBN:fi-fe2024110790040

Malakar, I. M. (2023). Conceptualizing central tendency and dispersion in applied statistics. *Cognition*, *5*(1), 50-62. https://doi.org/10.3126/cognition.v5i1.55408

Njonde, & Kimanzi. (2014). Effect of integrated financial management information system on performance of public sector: A case of Nairobi County Government. International Journal of Social Sciences and Entrepreneurship, 1(12), 913-936. https://ijsse.org/articles/ijsse_v1_i12_913_936.pdf

Olatinsu, O., & Eke, C. (2025). Audit trails, financial transparency, and internal control effectiveness in public financial management systems. International Journal of Research in Management, 7(1), 1352-1363. https://doi.org/10.33545/26648792.2025.v7.i1n.556

Ozili, P. K. (2023). The acceptable R-square in empirical modelling for social science research. In *Social research methodology and publishing results: A guide to non-native English speakers* (pp. 134-143). IGI Global Scientific Publishing.

Pustovit, Y., Herasymchuk, R., Kotsur, V., Nunyuk, I., & Buryk, Z. (2025). Legal Instruments for Administrative Control Over Transparency and Accountability in Public Finance Management in the Context of Cooperation Between the State and the Private Sector. Revista Administração em Diálogo-RAD, 27(SI), 132-151. https://doi.org/10.23925/2178-0080.2025v27iSI.73114

Rasoolimanesh, S. M. (2022). Discriminant validity assessment in PLS-SEM: A comprehensive composite-based approach. *Data Analysis Perspectives Journal*, *3*(2), 1-8.

Sari, M. W. (2023). The Influence of Employee Competence and Use of Information Technology on Financial Accountability with the Success of Information Systems as Moderating Variables. *Asian Journal of Business and Accounting*, 179-205. https://doi.org/10.22452/ajba.vol16no2.6

Simpson, S. N. Y., Tetteh, L. A., & Agyenim-Boateng, C. (2020). Exploring the socio-cultural factors in the implementation of public financial management information system in Ghana. Journal of Accounting & Organizational Change, 16(3), 349-368. https://doi.org/10.1108/JAOC-10-2018-0100

Tetteh, L. A., Muda, P., Susuawu, D., Sunu, P., & Aneyire, T. K. (2022). Exploring the use of an integrated financial management information system (IFMIS) in the local government institutions in Ghana. Information Resources Management Journal (IRMJ), 35(1), 1-25. https://doi.org/10.4018/IRMJ.298973

Vaithilingam, S., Ong, C. S., Moisescu, O. I., & Nair, M. S. (2024). Robustness checks in PLS-SEM: A review of recent practices and recommendations for future applications in business research. Journal of Business Research, 173, 114465. 10.1016/j.jbusres.2023.114465

Voorhees, C. M., Brady, M. K., Calantone, R., & Ramirez, E. (2016). Discriminant validity testing in marketing: an analysis, causes for concern, and proposed remedies. Journal of the academy of marketing science, 44(1), 119-134. https://doi.org/10.1007/s11747-015-0455-4

Widodo, D. M., Sutrisno, T., & Baridwan, Z. (2023). Financial information system user satisfaction and its impact on organizational performance: Modified information system success model. *International Journal of Business, Economics and Management*, *6*(2), 134-147. https://doi.org/10.21744/ijbem.v6n2.2137

Yusuf, F., Martins, J. M., & Swanson, D. A. (2014). *Methods of demographic analysis*. Springer.

Zitzmann, S., & Orona, G. A. (2025). Why we might still be concerned about low Cronbach's alphas in domain-specific knowledge tests. *Educational Psychology Review*, *37*(2), 37. https://doi.org/10.1007/s10648-025-10015-5