

## Institutional Governance and Its Role in Reducing Financial and Administrative Corruption in Islamic Banks Operating in The City of Hebron

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### Abstract

The aim of this research is to identify the institutional governance and its role in reducing financial and administrative corruption in Islamic banks operating in the city of Hebron, and a questionnaire has been built to answer the study questions, as it was distributed to all workers in Islamic banks operating in the city of Hebron. The study concluded that Corporate governance has a major role in reducing financial and administrative corruption in Islamic banks operating in the city of Hebron, due to the Board's enjoyment of competence, competence, independence, and integrity, as well as because Islamic banks maintain independent, impartial and effective auditing systems that achieve compliance with what Enhanced disclosure and transparency. The study recommended that the standards of corporate governance be strengthened in reducing financial and administrative corruption by activating the role of oversight within banks through seminars and training necessary to qualify employees in banks, and that banks support independent, fair and effective auditing systems to achieve compliance during the performance of activities Banking.

**Keywords:** Corporate Governance, Financial Corruption, Administrative Corruption, Islamic Banks

### I. Introduction

The financial collapses and financial crises that rocked the global economic and financial situation that were all over the world that started from the financial crisis in 1997 and then followed by the mortgage crisis in the United States and the collapse of many financial institutions, which are looking at a problem and addressing these crises Emerging Solutions Right for It (Al-Najjar, 2013)

Hence the need for governance that lies in fighting financial and administrative corruption and not allowing or maintaining its existence, as well as working to achieve and ensure integrity and integrity for all employees in the institution, in addition to fighting governance for deviations and not allowing them to continue, especially those whose existence constitutes a threat to interests, and reducing errors to Minimum possible use of controls to prevent them from occurring (Diop, 2010)

Global interest has increased over the past years for many modern methods and tools to improve the quality of services provided to customers and one of the most important of these methods is what has been called corporate governance as a contemporary



global trend to achieve the principles of governance, namely transparency, justice, interests and protection of interests and adherence to laws and regulations and standards of career and ethical behavior that lead to combating Corruption (Mohammad, 2015)

Therefore, the importance of the application of governance in Islamic banks appears to be increasing and specific with the global expansion and proliferation witnessed not only in Islamic countries but also in Europe and America and other regions of the world, because it is a condition of expansion and expansion and the ability to compete in the global economy is to keep pace with international developments, the most important of which is the application of principles Governance in line with its Islamic life (Farhan and Abdel Qadir, 2012).

## 2. Theoretical framework and previous studies

### The concept of governance

The term governance is a popular concept in economic literature, and its application is found at all levels and elements; the state, public and private economic institutions, and associations, as well as at all levels of individual groupings, as governance permits a rational delegation of authority and the method of applied practice in accordance with those procedures, which can To appear at the level of all state institutions or associations of shareholders in companies and economic units, through the exercise of control and bear the responsibilities and duties of the obligation to disclose, in the service of transparency (Nasir al-Din, 2012)

The objectives that can be achieved as a result of implementing the governance systems include the following (Zainddin, 2012)

-Achieving transparency and fairness, and granting the right to hold the institution's management accountable to the concerned authorities.

-Achieving the necessary protection for public ownership, taking into account the interests of those dealing with the various state institutions, and limiting the abuse of power in favor of the public interest.

-Achieving the opportunity to review performance from outside the members of the executive management that have tasks, powers and powers to reach an effective and independent.

-Increasing confidence in managing the national economy, which contributes to raising investment rates and achieving high growth rates in national income.

### The importance of governance:

Governance has become an issue and an urgent need in our world today, and its bearing of importance mentioned by Sharif (2008) with the following:

-It is one of the strategic goals of many developed countries.

-It is an important issue that helps in optimal use of resources, enhances accountability, and good services distribution and management.

-It is considered a key factor in creating a good business climate, as it helps to attract investment, improve the efficiency of investment operations and maximize the benefit from them.

-It works to maximize the value of the country or institution, and to support their competitive capabilities in a way that helps them to bring local and international funding sources for expansion and growth, and to create new job opportunities.

-It works to determine the strategic direction of the country or organizations by making the right strategic decisions to preserve the institution's resources.

-It reduces conflict situations in the organization and increases cases of integration and interaction between stakeholders, by increasing the effectiveness of disclosure, accountability, oversight and motivation.

## Governance standards

### Governance is based on four criteria

1. Transparency: It is a mechanism for measuring the degree of application of governance in society, and it allows individuals to obtain knowledge and information related to governance to enable them to take decisions with a joint effect, which is the process of decision-making and decision-making (Al-Taie and Hamad, 2010).

Transparency contributes to the success of development and change plans as organizational leaders face many challenges that resist a contributor to the desired change. Therefore, the administration that adopts the principle of administrative transparency and announces its policies and plans, thus reducing negative energies and turning them into positive outcomes (Al-Masry, 2000).

2. Participation: It is providing opportunities for university students to have a role in the decision-making process, and thus good governance must contain all the implications of participation to support the government as an effective model in public government policy-making .

3. Accountability: The concept of accountability stems from the idea that everyone who has been delegated from a certain authority, with powers and tools of work, will stand before it to answer how to use the powers and manage the resources placed at its disposal (Harb, 2003)

4. Integrity: Integrity is the distance from evil, and it is honest and generous if it is far from blame and it is honest creation. The rules that are inherent in the individual and include honesty, honesty and non-harm to others, integrity enhances the concept of transparency by reducing administrative and financial corruption, and integrity enhances people's ability to be clear and transparent (Odeh, 2017).

### Corruption

One of the new criteria for good economic management is combating, treating and reducing corruption and identifying the extent of its penetration into economic activity. The reports of the international experts have unanimously agreed on the need to address it if development is to be achieved, which is the goal that states seek, and this matter requires many comprehensive and multiple measures, which rely on studies and research to diagnose the problem of corruption and its causes in an integrated manner in all its aspects, and put appropriate treatment It is far from temporary treatment and then monitoring and following up procedures to ensure that it achieves its goals and promote economic development programs that achieve a certain amount of social welfare for citizens (Olimat, 2015).

### Islamic banks in Palestine

#### The Palestinian Islamic Bank

Palestine Islamic Bank Public Shareholding Company was established in 1995 and the bank started its banking activities in the beginning of 1997, and its authorized capital amounts to 100 million shares with a nominal value of one US dollar per share. The bank carries out banking, financial, commercial and investment activities in accordance with the provisions of Islamic Sharia, through 33 branches and offices and 65 ATMs throughout Palestine, including 19 ATMs with a cash deposit service, which confirms its identity as the largest Islamic banking network in Palestine. <https://islamicbank.ps/ar>

#### Arab Islamic Bank

The Arab Islamic Bank was established as the first Islamic banking company operating in Palestine, on 8/1/1995 and it is a public joint stock company registered under No. 563201011 The bank started its banking activities in the beginning of 1996 and performs banking, financial, commercial and investment activities in accordance with the provisions of Islamic Sharia from During the main center in Al-Bireh and its branches located in Palestine. <http://www.aibnk.com/arabic>

#### Al-Safa Bank

Al-Safa Bank was established as a public joint stock company founded by a group of companies, large institutions and legal persons. <http://www.safabank.ps/>



### 3. Previous studies

The phenomenon of administrative and financial corruption is one of the dangerous phenomena facing countries that lead to stagnation in the process of construction and economic development and the failure of traditional methods to prevent the financial collapses and scandals that affected major companies in the world, and it was found that governance has an important role in reducing financial and administrative corruption (Zainddine, 2012 (Aras & Crowther, 2008), and the application of governance is an economic, social and administrative necessity and not an intellectual and administrative luxury, and its application leads to combating corruption and favoritism, attracting investments and limiting the flight of domestic capital abroad (Shawarah, 2009).

The development in accounting disclosure, both in terms of the amount and type of information, then its impact on the view of the external auditor, then the rationalization of evaluation and decision-making processes by users of financial statements enhances the dissemination of principles of good and institutional governance in institutions (Abu Zir, 2006) (Al-Daour and Abed, 2013 (Roy and Qystein, 2009).

Some results of the studies also indicated a positive relationship between the application of the rules of governance and the performance of banks, in addition to the lack of separation between the position of the chairman and the position of the general manager in banks had a negative impact on the performance of banks (Al Manaseer et al 2012), and the formation of supervisory councils The work of educational institutions is part of the administrative reform and this encourages and helps to apply the principles of transparency, independence and accountability and activating the role of internal and external oversight in them (Deboer, Huissman and Meister-Scheytt 2010) (Alexander, 2004)

Previous studies centered on governance and reducing administrative and financial corruption, including what was applied to companies such as the Shawarah Study (2009) (Aras & Crowther, 2008) (Deboer, Huissman and Meister-Scheytt 2010) (Alexander, 2004).

A group of studies have been applied to commercial banks such as the Abu Zir study (2006) and the study (Al Manaseer et al 2012) (Roy and Qystein, 2009). As this study was distinguished from previous studies that it was applied to Islamic banks as it was applied to workers in Islamic banks that work to apply the principles of Islamic Sharia in its activities and transactions, this study also focuses on institutional governance in Islamic banks and its role in reducing financial and administrative corruption as it is considered This is the first study in Palestine to address this issue, which will have a major impact in providing recommendations to Islamic banks in particular and government institutions in general.

### 4. Problem of study

Neglecting or weakening banks 'application of the principles and standards of corporate governance, applying their principles in an incomplete manner, neglecting another principle, caring for another principle leads to a deficiency in its role in protecting banks from collapses, and also leads to concealing a lot of financial and non-financial information and then

It leads to weak administrative discipline, lack of transparency and conflict of stakeholders, and then may be subjected to financial shocks that directly or indirectly affect the state and bankruptcy of banks, loss of shareholders and depositors' rights, and the collapse of the economic and financial system in the Palestinian society, and therefore the problem of the study arises by answering the following main question:

What is the role of corporate governance in reducing financial and administrative corruption in Islamic banks operating in the city of Hebron?

This question is divided into the following sub-questions:

1. To what extent is the Board of Directors enjoying competence, competence, independence, integrity and effectiveness in Islamic banks operating in the city of Hebron?
2. To what extent does the bank maintain independent, fair and effective auditing systems that achieve compliance?
3. What is the extent of the bank's commitment to the principle of disclosure and transparency in all information and data in Islamic banks?
4. Do governance mechanisms contribute to reducing financial corruption in Islamic banks?

5. Do governance mechanisms contribute to reducing administrative corruption in Islamic banks?

### 5. Study Aims

The study aims to identify:

1. The extent to which the Board of Directors enjoys competence, competence, independence, integrity and effectiveness in Islamic banks operating in the city of Hebron.
2. The extent to which the company maintains independent, fair and effective auditing systems in order to achieve compliance.
3. The extent of the bank's commitment to the principle of disclosure and transparency in all information and data in Islamic banks.
4. The contribution of governance mechanisms in reducing financial corruption in Islamic banks.
5. The contribution of governance mechanisms in reducing administrative corruption in Islamic banks.

### 6. Study hypotheses

Based on the theoretical framework and previous studies, study hypotheses can be formulated as follows:

The first hypothesis: There is no statistically significant relationship at the level of significance ( $\alpha \leq 0.05$ ) between applying corporate governance and reducing financial and administrative corruption in Islamic banks operating in the city of Hebron.

The second hypothesis: There is no statistically significant relationship at the significance level ( $\alpha \leq 0.05$ ) between the board's enjoyment of competence, competence, independence, and integrity and the reduction of financial and administrative corruption in Islamic banks operating in the city of Hebron.

The third hypothesis: There is no statistically significant relationship at the level of significance ( $\alpha \leq 0.05$ ) between Islamic banks maintaining independent, fair and effective auditing systems that achieve compliance and reduce financial and administrative corruption in Islamic banks operating in the city of Hebron.

The fourth hypothesis: There is no statistically significant relationship at the level of significance ( $\alpha \leq 0.05$ ) between the commitment of Islamic expenses to the principle of disclosure and transparency and the reduction of financial and administrative corruption in Islamic banks operating in the city of Hebron.

### 7. Study Methodology

The research team used in this study the descriptive analytical approach that depends on studying the phenomenon today and as it is in reality, and it is the appropriate and best approach for such studies. The study population consists of workers in Islamic banks operating in the city of Hebron. The questionnaires were distributed to all workers in Islamic banks, namely the Islamic Bank, the Arab Bank, the Palestinian Islamic Bank, Al-Safa Bank, but the Palestinian Islamic Bank refused to answer the questionnaire, so only the questionnaires were filled in the Arab Islamic Bank in its branches and Al-Safa Bank and the sample was 30 questionnaires and the number has been retrieved Complete the 30 questionnaire. The study tool was built in the form of a questionnaire through the guidance of the previous studies and the theoretical framework, where the study tool consisted of institutional governance and includes three dimensions: (the first dimension: the board of directors enjoy the competence, competence, independence and integrity, the second dimension Islamic banks maintain independent, fair and effective auditing systems that achieve compliance, the third dimension: commitment of Islamic expenses to the principle of disclosure and transparency.

#### Reliability of the study tool

The consistency was calculated using the method of internal consistency and by calculating the stability equation of Cronbach Alpha, where the stability value ranged between (0.738-0.885), and thus the questionnaire has a very good degree of stability and can be adopted to achieve the objectives of the study.

## Data coding

After collecting the questionnaires, they were encoded and then entered into the computer as a prelude to analyzing them. SPSS was used to analyze the questionnaires and perform the necessary tests. Percentages, means and standard deviation were extracted, in addition to using the T test and the P test in extracting the search results.

## 8. Discuss the study results

**The main question : What is the role of corporate governance in reducing financial and administrative corruption in Islamic banks operating in the city of Hebron?**

To answer the previous question, arithmetic averages and standard deviations were extracted for the role of corporate governance in reducing financial and administrative corruption in Islamic banks operating in the city of Hebron , as shown in Table No.( 2 ) .

**Table :( 2 ) Arithmetic averages for the role of corporate governance in reducing financial and administrative corruption in Islamic banks operating in the city of Hebron**

Degree	standard deviation	Average	the field
High	0.72	4.15	The first dimension: the board has the competence, competence, independence and integrity
High	0.37	4.43	The second dimension: Islamic banks maintain independent, fair and effective auditing systems that achieve compliance
High	0.58	4.10	The third dimension: commitment of Islamic expenses to the principle of disclosure and transparency
Medium	1.30	2.83	The fourth dimension: Administrative corruption
Medium	1.35	2.51	Fifth dimension: financial corruption
Medium	0.58	3.60	Total

We note from the previous table, and through the data presented in the table, that the role of institutional governance in reducing financial and administrative corruption in Islamic banks operating in the city of Hebron is an average, with an average of 3.60 with a standard deviation of , 0.58 and this result is consistent with Zainddin's study (2012) that showed the governance play a role in reducing financial and administrative corruption, as well as a study Shawawrah , (2009) which showed that the application of corporate governance leads to the fight against the phenomenon of corruption administrative , financial and nepotism , and the interpreted researcher and n this result through the activities carried out by Islamic banks by applying Principles of Governance, Neighborhood The corporate governance increases the degree of commitment to working in the right way and clarity of working procedures in carrying out the tasks assigned to them, limiting the level of financial and administrative corruption.

## Sub-questions

**The first question : To what extent is the Board of Directors enjoying competence, competence, independence and integrity?**

To answer the previous question, the mean and standard deviations were extracted because the board of directors enjoyed the competence, competence, independence and integrity , as shown in Table No.( 3 ) .

Table :( 3 ) Mathematical Averages ,Standard Deviations for Board Enjoyment of Efficiency, Eligibility, Independence, and Integrity

Degree	Standard Deviation	Average	Paragraph
High	0.85	4.36	Performance monitoring through the Board of Directors and the existence of a system linking actual performance with the business plan.
High	0.66	4.33	Board meetings are held in a manner that ensures open communication, effective participation and timely decision-making
High	0.91	4.31	The extent to which Islamic banks have programs and policies to prevent fraud, corruption and misrepresentations.
High	0.84	4.21	The extent of the commitment of Islamic banks to implement the corporate charter and policy.
High	0.77	4.13	The Board of Directors has worked towards achieving a sound mix of members of the board with diverse backgrounds to ensure the highest level of Board members .
High	0.92	4.11	Establishing a guiding constitution for council members regarding their rights and duties.
High	0.95	4.11	The extent of the existence of subcommittees with the Board of Directors for commitment, nomination, wages, bonuses, and risk management consisting mainly of independent Board members.
High	0.99	4.11	The extent to which Islamic banks deal with all shareholders equally regarding voting rights, underwriting and transfer of property.
High	0.84	4.11	Implementing a policy of equal treatment for all shareholders and taking into account their needs.
High	0.86	4.06	The Board of Directors contains a percentage of independent members.
High	0.97	3.86	The board of directors develops the philosophy of Islamic banking.
<b>High</b>	<b>0.72</b>	<b>4.15</b>	<b>Total</b>

We notice from the previous table, and through the data provided in the table, that the extent of the board's enjoyment of efficiency, competence, independence ,and integrity is high, with a mean of 4.15 with a standard deviation of 0.72

The most important paragraphs ) monitoring performance through the board of directors and the existence of a system linking actual performance with the work plan ( were with an average of 4.36 with a standard deviation of , 0.85 and the least important paragraphs ) the board setting a philosophy of Islamic banking ( with an average of high3.86 with a standard deviation of , 0.97 and agree this result with Al-Daour and Abed study , (2013) and j explained researcher Wen this result through what the board of Directors to activate its role in maintaining the growth of the performance of Islamic banks, especially the staff of the Governing Council had reached this position through performance They do it efficiently and effectively so we find that they differed with

**Deboer, Huissman and Meister-Scheytt 2010** (While the study population was based on universities was based on the Islamic banks of our society.

**The second question : To what extent does Islamic banks maintain independent, fair and effective auditing systems that achieve compliance?**

To answer the previous question, arithmetic averages and standard deviations were extracted for Islamic banks to maintain independent, fair and effective auditing systems that achieve compliance , as shown in Table No.( 4 ) .

Table :( 4 ) Arithmetic mean standard deviations for Islamic banks to maintain independent, fair and effective auditing systems that achieve compliance

Degree	standard deviation	Average	Paragraph
High	0.44	4.73	Islamic banks have a compliance department.
High	0.47	4.66	Islamic banks have an inspection department.
High	0.47	4.66	The members and the head of the department shall enjoy the administrative experience and competence that achieves the ability to perform their duties properly.
High	0.51	4.53	The committee shall verify the financial reports issued by Islamic banks and review the inspection reports and the Palestinian Monetary Authority.
High	0.82	4.51	Verify that the set policies are activated
High	0.82	4.51	Islamic banks have an external auditor that tracks all financial reports issued by Islamic banks
High	0.68	4.51	Use all available methods and tools in following up on the effectiveness of the internal control system and report on the results to the audit committee and the board of directors.
High	0.81	4.36	Warning that the control systems should be reviewed in light of the emerging risks.
High	0.71	4.36	Verify the immediate disclosure of business results without leakage.
High	0.71	4.33	Regular review of the governance structure design and development of the ethical code.
Medium	1.15	3.63	Each branch has an internal auditor of the inspection department.
<b>High</b>	<b>0.37</b>	<b>4.43</b>	<b>Total</b>

We note from the previous table, and through the data provided in the table, that the extent to which Islamic banks maintain independent, fair and effective auditing systems achieves high compliance ,where the mean is 4.43 with a standard deviation of 0.37

The most important paragraphs ) Islamic banks have a compliance department ( with an mean of 4.73 with a standard deviation of ,0.44 and the least important paragraphs ) each branch has an internal auditor belonging to the inspection department ( with an average of 3.63 with a standard deviation of .0.37 It corresponded to the study **Aras & Crowther, 2008**) ( ,And it differed with the Abu Zir study ,(2006) as it faced a deficiency in the annual reports of Jordanian banks represented in the lack of commitment to disclose institutional governance.

### The third question : To what extent is the Islamic expenses committed to the principle of disclosure and transparency?

To answer the previous question, arithmetic averages and standard deviations were extracted from the commitment of Islamic expenses to the principle of disclosure and transparency , as shown in Table No.( 5 ) .

Table :( 5 ) arithmetic averages of deviations standard for the commitment of the expenses of the Islamic principle of disclosure and transparency

Degree	standard deviation	Average	Paragraph
High	0.94	4.60	The Islamic Banks report contains a section explaining governance applications.
High	0.83	4.31	Having sufficient information on the ownership structure, stock ownership details and identifying major shareholders or majority shareholders.

High	0.82	4.26	Annual reports and governance documents are available on the Islamic Banks website.
High	0.69	4.16	Islamic banks disclose ownership or transactions of board members in buying or selling shares of Islamic banks.
High	0.98	4.16	All information of importance is disclosed after the approval of the Monetary Authority and the Palestine Securities Exchange in a timely manner and reach the stakeholders.
High	0.77	4.13	Islamic banks disclose personnel issues such as the human resources policy in the annual report.
High	0.92	3.96	Disclosure of the philosophy and methods used to determine the remuneration of a member of the Board of Directors in the financial statements.
High	0.96	3.81	Disclose bonus executives in reports
<b>High</b>	<b>0.58</b>	<b>4.10</b>	<b>Total</b>

We notice from the previous table, and through the data provided in the table, that the extent of commitment of Islamic expenses to the principle of disclosure and transparency is high, as the arithmetic average reached 4.10 with a standard deviation of 0.58

The most important paragraphs) the report of Islamic banks contained a section explaining the applications of governance ( with an average of 4.60 with a standard deviation of , 0.94 and the least important paragraphs) the disclosure of executives' bonuses in the reports ( with an average of 3.81 with a standard deviation of , .096 This result is different with the Abu Zir of study , (2006) which showed that there were deficiencies in the annual reports of the banks of Jordan is the lack of commitment to disclosure of corporate governance j explained researcher and n the interest of Islamic banks disclosure and transparency stems from the credibility of transactions carried out by Islamic banks During its dealings.

#### Fourth Question : What is the level of administrative corruption in Islamic banks operating in the city of Hebron?

To answer the previous question, arithmetic averages and standard deviations for the level of administrative corruption in Islamic banks operating in the city of Hebron were extracted , as shown in Table No.( 6 ) .

**Table :( 6 ) Arithmetic averages ,standard deviations , level of administrative corruption in Islamic banks operating in the city of Hebron**

Degree	standard deviation	Average	Indicators of administrative corruption in Islamic banks
Medium	1.36	2.93	Some employees take advantage of their employment position to violate regulations and rules.
Medium	1.32	2.91	It is spread among jobs in nepotism and banking banks.
Medium	1.47	2.76	Managers make decisions related to achieving personal benefits without regard to the public interest of the bank.
Medium	1.31	2.73	Some employees exceed the powers specified and generally scheduled.
<b>Medium</b>	<b>1.30</b>	<b>2.83</b>	<b>Total</b>

We note from the previous table, and through the data provided in the table, that the level of administrative corruption in Islamic banks operating in the city of Hebron is average, as the arithmetic average reached 2.83 with a standard deviation of 1.30

The most important paragraphs ) some employees exploit their position to breach the rules and regulations ( . With an average arithmetic of 2.93 with a standard deviation of , 1.36 and the least important paragraphs ) some employees exceed the powers specified and decided upon in general ( with an average of 2.73 with a standard deviation of 1.31

#### **Fifth question : What is the level of financial corruption in Islamic banks operating in the city of Hebron?**

To answer the previous question, the mean and standard deviations for the level of financial corruption in Islamic banks operating in the city of Hebron were extracted , as shown in Table No.( 7 ) .

**Table :( 7 ) Arithmetic averages ,standard deviations , level of financial corruption in Islamic banks operating in the city of Hebron**

Degree	standard deviation	Average	Paragraph
Medium	1.67	2.63	There are some employees who make some financial excesses without accounting.
Medium	1.41	2.46	Some employees take advantage of their position to gain illicit gain.
Medium	1.47	2.43	Bribery is widespread among bank employees.
<b>Medium</b>	<b>1.35</b>	<b>2.51</b>	<b>Total</b>

We note from the previous table and through the data provided in the table that the level of financial corruption in Islamic banks operating in the city of Hebron is average, as the arithmetic average reached 2.51 with a standard deviation of 1.35

The most important paragraphs ) there were some employees doing some financial excesses without accounting ( with an average of 2.63 with a standard deviation of , 1.67 and the least important paragraphs ) bribery spread among bank employees ( with an average of 2.43 with a standard deviation of .1.47 It was found that the level of administrative corruption in Islamic banks operating in the city of Hebron is average, and that the level of financial corruption in Islamic banks operating in the city of Hebron is average, and that this is because the procedures, transparency and integrity are available in the work of these banks well, as they are subject to Sharia control in every process until are not T .Hack laws and procedures , according to Islamic law.

#### **.Study hypotheses:**

**The first hypothesis :**There is no statistically significant relationship at the level of significance )  $\alpha$  (0.05  $\geq$  between applying corporate governance and reducing financial and administrative corruption in Islamic banks operating in the city of Hebron . Therefore ,the null hypothesis was rejected , and the alternative hypothesis was accepted.

**The second hypothesis :**There is no statistically significant relationship at the level of significance )  $\alpha$  (0.05 5 between the board's enjoyment of competence, eligibility, independence, and integrity and the reduction of financial and administrative corruption in Islamic banks operating in the city of Hebron .Therefore ,the null hypothesis was rejected , and the alternative hypothesis was accepted.

**The third hypothesis :**There is no statistically significant relationship at the level of significance )  $\alpha$  (0.05 5 between the Islamic banks maintaining independent, fair and effective auditing systems that achieve compliance and reduce financial and administrative corruption in Islamic banks operating in the city of Hebron . Therefore, the null hypothesis was rejected, and the alternative hypothesis was accepted

**The fourth hypothesis :**There is no statistically significant relationship at the level of significance )  $\alpha$  (0.05  $\geq$  between the commitment of Islamic expenditures to the principle of disclosure, transparency and the reduction of financial and administrative corruption in Islamic banks operating in the city of Hebron . Therefore the null hypothesis was rejected , and the alternative hypothesis was accepted.

## 9. Recommendations

The research team recommends the following:

- That is to promote the principles of corporate governance in reducing financial and administrative corruption of the exception for activating the role of oversight within the banks through seminars necessary for the rehabilitation of staff in banks and exercises.
- That is supported by the Board of Directors by emphasizing the principles of governance to reach the highest degree of efficiency, competence, independence and integrity.
- Banks support independent, fair and effective auditing systems to achieve compliance during the performance of banking activities
- Supporting Islamic banks' commitment to the principle of disclosure and transparency to reduce financial and administrative corruption.
- Activating control over the transactions of Islamic banks operating to reduce the level of administrative and financial corruption by spreading awareness among all workers in banks, as well as strengthening the role of the Monetary Authority in monitoring and adherence to these banks with the standards of governance.
- We recommend conducting more research and studies on this topic, especially as this study targets Islamic banks, which are considered pillars of the state's economy.

## 10. Study limitations

Researchers have faced several limitations, including the failure of all employees in banks to respond to the study sample by answering the questionnaire, and the small size of the targeted sample will consequently lead to the inability to generalize the research results to all Islamic banks and banks in general, as well as the lack of studies dealing with the issue of governance and financial and administrative corruption In Islamic banks

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