**The Role of Sharia Control in Strengthening Accounting Disclosure in Islamic Banks**

**دَوْرُ الرَّقَابَةِ الشَّرْعِيَّةِ فيِ تَعْزِيزِ الإِفْصَاحِ المُحَاسَبِي فيِ المَصَارِفِ الإِسْلاَمِيَّةِ**

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| ***Abstract:***  *The research deals with an important topic that falls on the shoulders of researchers in the field of accounting to give it great importance in light of the many developments that are taking place in the fields of investment in Islamic banks, which are increasing dramatically in various countries, which requires how to give confidence to the financial reports submitted by accountants to Investors as one of the parties used for these reports in making decisions related to them, and accordingly the research focuses on the extent to which the Shari’a control can contribute to strengthening the accounting disclosure, which in turn can lead to strengthening the confidence of the users of the financial statements in rationalizing them towards making various decisions related to the islamic banks they deal with, as well as for their reassurance that these banks operate in accordance with the provisions of Islamic Sharia regarding the accounting measurement and verification of financial transactions in accordance with what is supported by the Shariah auditor. Sharia control that can be used to achieve this.*  *It was concluded that there should be integration in the work of both the Sharia auditor (which focuses on the extent of compliance with the provisions of islamic Sharia) and the financial auditor (which focuses on the extent of compliance with generally accepted accounting principles) in order to give a unified opinion on the reliability of the data they contain. reports and financial statements that are submitted to various parties that can benefit from them in making their decisions, and the researcher recommended that there is a need to take into account the principles of Sharia control when carrying out accounting and auditing work, and the availability of a set of requirements to achieve reassurance for all parties that deal with islamic banks and rely on their financial statements in taking various décision.*  ***Keywords:*** *Sharia control, Sharia audit, accounting disclosure, Islamic banks.*  **الملخص:**  يتناول البحث موضوعاً هاماً يقع على عاتق الباحثين في مجال المحاسبة، لإعطائه أهمية كبيرة في ضوء التطورات العديدة التي تحدث في مجالات الاستثمار في المصارف الإسلامية والتي تتزايد بشكل كبير في مختلف البلدان، الأمر الذي يتطلب كيفية منح الثقة للتقارير المالية المقدمة من المحاسبين إلى المستثمرين كأحد الأطراف المستخدمة لهذه التقارير في اتخاذ القرارات المتعلقة بها ، وبناءً عليه يركز البحث على المدى الذي يمكن أن تساهم فيه الرقابة الشرعية في تعزيز الإفصاح المحاسبي ، والذي بدوره يمكن أن يؤدي إلى تعزيز ثقة مستخدمي البيانات المالية في ترشيدهم تجاه اتخاذ قرارات مختلفة تتعلق بالمصارف الإسلامية التي يتعاملون معها ، فضلاً عن طمأنتهم بأن هذه المصارف تعمل وفقًا لأحكام الشريعة الإسلامية فيما يتعلق بالقياس والتحقق المحاسبي للمعاملات المالية وفقا لما يؤيده المدقق الشرعي من خلال الرقابة الشرعية التي يمكن استخدامها لتحقيق ذلك.  تم التوصل إلى أنه يجب أن يكون هناك تكامل في عمل كل من المدقق الشرعي (الذي يركز على مدى الامتثال لأحكام الشريعة الإسلامية) والمدقق المالي (الذي يركز على مدى الامتثال لمبادئ المحاسبة المقبولة بشكل عام) في من أجل إعطاء رأي موحد حول مصداقية البيانات التي تحتويها التقارير المالية التي يتم تقديمها للجهات المختلفة التي يمكن أن تستفيد منها في اتخاذ قراراتها ، وأوصى الباحث بضرورة مراعاة مبادئ الرقابة الشرعية عند القيام بأعمال المحاسبة والتدقيق ، ومدى توافر مجموعة من المتطلبات لتحقيق الطمأنينة لجميع الأطراف التي تتعامل مع المصارف الإسلامية والاعتماد على تقاريرها المالية في اتخاذ القرارات المختلفة.  **الكلمات المفتاحية**: الرقابة الشرعية، التدقيق الشرعي، الإفصاح المحاسبي، المصارف الإسلامية. |

**1. INTRODUCTION**

Accounting is a science that grows and develops with the development of life in general and economic fields in particular. By providing information that can be used in multiple decision-making processes by a group of beneficiaries. With the emergence of the need for banks that operate in accordance with the provisions of Islamic Sharia, in which they contradict the work of traditional banks that people (especially investors) know about, the need has appeared concomitant with it from accountants in order to play their role in providing information that can meet the needs of all beneficiaries of the product of accounting work in these banks.

From here comes the question about the possibility of the contribution of Sharia control in strengthening accounting disclosure in Islamic banks? And how can that be done? The importance of the research comes in terms of addressing a topic that was not previously addressed by researchers, as the research combines the concepts of Sharia control and accounting disclosure in an attempt to show the extent to which Sharia control can contribute to strengthening accounting disclosure, which in turn can lead to strengthening the confidence of users of financial statements in their rationalization. Towards taking various decisions related to the Islamic banks that they deal with, as well as reassuring them that these banks operate in accordance with the provisions of Islamic Sharia with regard to the accounting measurement of financial transactions and their verification in accordance with what is supported by the Sharia auditor.

Accordingly, the research will discuss the possibility of strengthening accounting disclosure in Islamic banks by adopting a set of Sharia control tools in order to strengthen the confidence of users of financial statements in rationalizing them towards making various decisions related to Islamic banks that they deal with.

1. **Sharia control in Islamic banks and its relationship to accounting and auditing.**

**I.1. Concept of Sharia control.**

The concept of Sharia control has been linked to Islamic banks and has developed with the development and multiplicity of financial and banking operations carried out by these banks and the need to confirm the legitimacy of the Sharia trust in financial operations and financing formulas that are the basis of their work and reassurance that they are compatible with Islamic Sharia and that they are measured according to its basic provisions with regard to the jurisprudence of transactions.

Sharia control is seen as one of the new bodies created by Islamic banks to become part of the structures of Islamic banks, and derives its existence from the basic systems of these banks in order to exercise over them the authority of control, direction and control with regard to the legality of the work that the bank provides, so it considers the contracts that are presented to the bank And works to ensure their compatibility with Islamic Sharia, or to draw up other contracts, or reformulate them. It also monitors the proper implementation of the decisions it takes, and it plays an advisory role before the bank does any work, and in general, it is charged with directing and correcting the bank’s path from the legal point of view (Fayyad, 2005: 20- 21).

On this basis, Sharia control has been known by many researchers and writers as required by the objectives of their research and writings, and their role and importance have emerged based on that, including:

1. It is the follow-up, examination and analysis of the activities, works, behaviors and operations carried out by the institution to ensure that they are carried out in accordance with the provisions and principles of Islamic Sharia, by using appropriate and legitimate means and methods, with the statement of violations and errors, correcting them and developing legitimate alternatives to them, and submitting reports to the concerned authorities, including expressing the Sharia opinion And the decisions, recommendations and guidelines to be taken into account in the present to achieve halal gain, as well as in the future for the purpose of development for the better (Abu Ghuddah, 2002: 26-27).

2. It is all the control elements and activities that are used to ensure the compliance of the Islamic bank's business with Sharia (Abu Muammar, 1997: 129-131).

3. Verify the extent to which the activities of the Islamic bank comply with the noble Islamic law (Al Aliyat, 2006: 47).

It is indisputable that carrying out the task of oversight in accordance with the legal principles can accommodate an infinite number of actions and duties, such as: (Al-Baal, 2005: 29-30)

1. Examining contracts, agreements, policies, products, transactions, articles of incorporation, articles of association, financial statements, internal audit reports, inspection reports and circulars.

2. Issuing the necessary decisions, instructions and procedures to correct the work process and setting the necessary controls and rules for all activities.

3. Expressing opinion, advice, discussion and assistance in improving performance and investment priorities and how to distribute Zakat.

4. Follow up and review the operations to verify that they are free of any legal prohibition.

5. Developing, amending and developing contract and service models when necessary.

The researchers also consider that Sharia control is implemented through a body or body that is responsible for monitoring the implementation of financial and banking operations and ensuring that they are in conformity with the provisions of Islamic Sharia. Transactions and one of the members may be non-jurists, provided that he is a specialist in the field of Islamic financial institutions and has knowledge of the jurisprudence of transactions.

The Sharia Supervisory Board is entrusted with directing, monitoring and supervising the activities of the bank to ensure their compliance with the provisions and principles of Islamic Sharia, and its fatwa and decisions are binding on the bank.” Known as: (Fayyad, 2005: 24).

From the foregoing, it can be said that of Sharia control:

**It is a process of verifying that all operations (financial and non-financial) carried out by the Islamic bank are in conformity with the provisions of Islamic Sharia, carried out by an administrative body consisting of various specializations related to the nature of those operations, which leads to the recognition of their reliability in all legal, financial and administrative aspects.**

1. **The importance of Sharia control in Islamic banks.**

The importance of Sharia control in Islamic banks comes through the following:

1. The need of all parties that deal with Islamic banks to reassure them of achieving their goals as a result of their dealings with these banks, and to assure them that all financial and banking operations are free from suspicion or illegal acts.

2. The requirement for fatwas and Sharia control over Islamic financial institutions represents the strategic depth, and the distinguishing feature of Islamic financial and banking work. Over four decades, the fatwa and Sharia supervisory bodies have been able to lead the Islamic financial institutions with merit until they crossed the stage of establishment to the stage of expansion and spread (Hamish, 2007: 108).

3. Sharia control in some Islamic banks educates the bank’s employees and participates in the training courses held for them. It also educates the dealers’ public by issuing bulletins, brochures and articles, as well as responding to inquiries and questions submitted throughout the year from various categories, and questions submitted by shareholders. In the general assemblies, and responding to the inquiries and discussions of the shareholders (Al Aliyat, 2006: 123).

4. The importance of the Sharia report, which represents the outcome of the work carried out by the Sharia Supervisory Board to ensure that the transactions of the Islamic bank have been carried out in accordance with the Islamic Sharia. The report is honest in describing the reality of the company’s dealings in terms of compliance with the provisions of Sharia transactions. Also, the report shows the facts as they are and without compliments to anyone, as the report of the Sharia Supervisory Board is of great importance because it is considered an evaluation of the bank’s work and shows the extent of its commitment to the provisions of the Shariah transaction system, where the importance of the report stems Sharia law through: (Abu Muammar, 1997: 129-131).

a. The Shariah report gives a clear and firm opinion on the legality of the transactions.

b. The Sharia report gives an independent opinion of the bank’s board of directors as well as its management, allowing it to express an opinion on the legality of the transactions without affecting the independence

c. The legitimate report gives an impartial opinion away from fanaticism.

d. The Sharia report gives a practical opinion from the reality of the books, records and documents, and is not satisfied with the theoretical aspects (iftaa only).

e. The Sharia report is important for the following:

* Shareholders: As they are the true owners of the bank, and therefore they are keen to invest their money in halal transactions.
* Investors: Although the investors do not attend the meetings of the general assembly, they are looking for assurances that confirm the legitimacy of the transactions. It is worth noting that it is possible for investors to attend the discussion of the Sharia report after it has been distributed to them in the general assembly, hence the importance of the Sharia report for them.
* Islamic Banks Workers: Perhaps many of those working in Islamic banks are those who are convinced of the idea of ​​Islamic banks, and therefore they are keen to ensure that the bank’s transactions are in accordance with Islamic law.
* The society in which the Islamic bank operates is keen that the Islamic bank conducts its business in accordance with Islamic law, and perhaps the most important source for that is the Sharia report of the Sharia Supervisory Board.

1. **The relationship of Shariah control to accounting and auditing work.**

What is observed from the majority of research that dealt with the subject of Shari’a control is that they dealt with it through the specialization of jurisprudence and legislation in the basic degree, but it can be said that there are many reasons through which it is possible to clarify the relationship of Shari’a control with accounting and auditing work and the importance of addressing it from the point of view of specialists in the fields of accounting and auditing. , as follows:

1. The Accounting, Auditing and Controls Standards Authority for Islamic Financial Institutions AAOIFI stipulated in the Control Standard for Islamic Financial Institutions No. (1) under the title of Appointing, Composing and Reporting the Shari’a Supervisory Board as follows: (Standards of Accounting, Auditing and Islamic Financial Controls, Accounting and Auditing Organization for Islamic Financial Institutions AAOIFI) \*.

a. The Sharia Supervisory Board is an independent body of jurists specialized in jurisprudence of transactions. One of the members may be a non-jurist, provided that he is a specialist in the field of Islamic financial institutions, and has knowledge of the jurisprudence of transactions.

b. The Shari’a Supervisory Board must consist of no less than three members. The Shari’a Supervisory Board may seek the assistance of specialists in business administration, economics, law and/or accounting and others.

2. With the development of the science of Sharia control in the recent period, many studies, conferences and seminars have appeared on the scene that discussed this matter, and this topic has been included in the training packages that the supporting bodies of Islamic banking are keen on being an important topic on which the survival of the credibility of Islamic banking and the safety of its applications depends, and given the entry of This matter is within the scope of control. Several questions were questioned, perhaps the most important of which is the relationship of Sharia control with financial and accounting control, and does one suffice for the other? Some studies have confirmed the extent to which the Shari’a audit is related to the accounting and concluded that the Muslim accountant who is proficient in his jurisprudence and profession is able to carry out the Shari’a audit and is qualified to assist the Shari’a auditor as well. In addition, the Auditing Standard for Islamic Financial Institutions No. (4) required the examination of the external auditor to adhere to the provisions and principles of Shari’a. Islamic law, which requires the legal accountant to be obligated to review the Sharia compliance because the accounting audit is the most capable of distinguishing the right from the wrong. ).

3. Determining the scope of work is considered one of the priorities of the audit process in light of the presence of many bodies for Sharia, financial, accounting, internal and external audits. Based on this priority, the scope of work of the external Sharia auditor must be distinguished from the scope of the work of the chartered accountant as an external financial auditor of the financial institution. The scope of the legal accountant’s work is still the same as at the level of traditional financial institutions, which is: to ensure the honesty and fairness of the financial statements of the Islamic financial institution, but based on the accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, while the scope of the work of the external Sharia auditor is still limited to reviewing The extent of Sharia compliance, and based on this result, we recommend reviewing the auditing standards issued by the Accounting Authority to remove the ambiguity surrounding the scope of the external auditor’s work, which in some cases seemed to interfere with reviewing the extent of Sharia compliance of the Sharia auditor as it is in the control standards (Mishal, 2010: 6 -7).

4. Referring to one of the concepts of Shari’a control as: Examination of the institution’s compliance with Shari’a in all its activities, and the examination includes contracts, agreements, policies, products and transactions, articles of association, financial statements, internal audit reports, and a report on inspections carried out by the Central Bank , and circulars (www.iefpedia.com), notes the need for the role and work of the auditor (the external auditor).

5. The Islamic audit and review process according to Islamic Auditing Standard No. (1) aims to express an opinion on whether the financial statements are prepared in accordance with the provisions of Islamic Sharia, accounting and auditing standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, local accounting standards, and relevant laws and regulations applicable in the country. in which the bank operates. The phrase used to express the opinion of the external auditor on the financial statements is to give an honest and fair picture. Although the auditor’s opinion enhances the credibility of the financial statements, the user of these statements does not have to assume that this opinion is a confirmation of the bank’s future functioning, nor of the adequacy and effectiveness used by the management in running the bank’s affairs (Rahahla, 2011: 59).

6. The Sharia audit is a form of administrative control. The administration works with the agency theory, so it is the agent of the shareholders who wish to work in accordance with the provisions of Islamic Sharia, and that the accounting control comes before the administrative control in that the administrative decision is based on an accounting control that is summarized by the submitted accounting report. For the concerned department (Kantaqji, 2010: 2-5).

**Accordingly**, the researcher confirms that there is a very close relationship between Sharia control and accounting and auditing work in terms of:

1. The large volume of data that arises from the operations carried out by Islamic banks, which are mostly financial data that entail accounting treatments and then a financial and accounting audit, which requires the presence of legitimate oversight that performs examination and analysis operations to ensure the extent to which the accounting treatments match those data in terms of legitimacy.

2. Internal control represents one of the sub-systems within the accounting systems and operates through its three types: accounting control, administrative control, and internal control, which is consistent with the types of internal legal control, which requires the necessity of integration in the work of all these types in order to reach Achieving the general objectives of Islamic banks.

3. The external auditor (the auditor) can rely on the report of the Sharia auditor of the Islamic bank, in order to express his impartial technical opinion and in a way that contributes to giving greater reliability of his report to the various relevant authorities, and the matter is also reversed through the need to agree with the opinion of the Sharia auditor With the applicable auditing standards so that there is no conflict between the work of the Sharia auditor and the work of the financial auditor.

1. **The nature of accounting disclosure and its importance in Islamic banks.**

The concept of disclosure - in general - refers to showing a certain thing by one party to another in a clear and understandable way, which leads to reliance on it in making a specific decision.

In the field of accounting, the importance of disclosure increases by looking at it as one of two main parts of the accounting function (which consists of measurement and disclosure), and that it is the part concerned with communicating the results of accounting measurement for the operations carried out by business organizations in their various forms and the diversity of their activities, and that it is one of the main principles within the accounting principles. Generally accepted (GAAT) by accountants and auditors, in addition to the fact that there are many professional and academic associations that have given accounting disclosure great importance by issuing standards for disclosure, where the International Accounting Standards Committee IASC issued: International Accounting Standard No. (1) entitled Presentation of Financial Statements in 1998 to replace this standard with International Accounting Standards No. (1) Disclosure of Accounting Policies, International Accounting Standard No. (5) “Information that is Disclosed in Financial Statements,” and International Accounting Standard No. (13) Presentation of Current Assets and Liabilities", International Accounting Standard No. (24) "Disclosure of Related Parties", and International Accounting Standard No. (30) "Disclosure in the Financial Statements of Banks and Similar Establishments".

There have been many definitions developed by writers and researchers for accounting disclosure in terms of focusing on its importance or objectives or the extent to which users of the financial statements need the form or contents that the financial statements can have. Related to the accounting unit, and this means that the information appears in the accounting lists or reports in a language that is understandable to the reader without any confusion or misleading (Matar and others, 1995: 371), as it was defined as “the financial statements showing all the basic information of interest to the external categories of the project so as to help them on Make rational decisions” (Abdullah, 1995: 38).

Thus, the researcher believes that accounting disclosure means: preparing financial statements in the form and content that includes accounting data (financial and non-financial) in a clear and understandable manner by its users, and in order to help them rely on it in making various decisions.

As for the types of accounting disclosure, the development in accounting thought shows an increasing trend towards the expansion of disclosure and the plurality of its fields to the extent that accountants aspire to record non-financial events that cannot be expressed in numbers in their records and are constantly trying to overcome the obstacles that prevent this goal, but there are Whoever believes that it is difficult to develop a unified concept of accounting disclosure that satisfies all users, and it is even impossible for accountants to agree on a specific framework for disclosure, so it is necessary to take into account the objective of preparing the accounting data and the category of beneficiaries thereof, so the types of disclosure can be referred to according to the objectives through what The following: (Ziod et al., 2007: 10-11)

1. Full disclosure.

It refers to the comprehensiveness of the financial statements and the importance of covering any data that has a tangible impact on the reader. The focus on the need for full disclosure comes from the importance of the financial statements as a primary source on which decisions are made. Disclosure is not limited to facts until the end of the accounting period, but extends to some subsequent facts. The dates of the financial statements that materially affect the users of those statements.

2. Fair disclosure.

Fair disclosure is concerned with balanced care for the needs of all financial parties, as the financial statements and reports must be produced in a manner that ensures that the interest of a particular group is not given priority over the interest of other groups by taking into account the interests of all these groups in a balanced manner.

3. Adequate disclosure.

It includes determining the minimum that must be provided from the accounting data in the financial statements. It can be noted that the concept of the minimum is not precisely defined, as it varies according to needs and interests in the first place, as it directly affects decision-making, not to mention that it follows the experience of the beneficiary.

4. Appropriate disclosure.

It is the disclosure that takes into account the need of data users, the circumstances of the facility and the nature of its activity, as it is not only important to disclose financial information, but more importantly, that it be of value and benefit for the decisions of investors and creditors and commensurate with the activity of the economic unit and its internal conditions.

5. Educational (media) disclosure.

That is, the disclosure of appropriate information for the purposes of decision-making, such as the disclosure of financial forecasts by separating the normal and abnormal elements in the financial statements, the disclosure of current and planned capital expenditure and its sources of financing, and it is noted that this type of disclosure would limit the resort to internal sources to obtain Additional information in informal ways entails gains for some groups at the expense of others.

6. Preventive disclosure.

This type of disclosure is based on the need to disclose accounting data in reports and financial statements so that they are not misleading to stakeholders. The main objective of this is to protect the financial community (the ordinary investor) with limited ability to use the data. Therefore, the data must be of a high degree of objectivity. Disclosure The precautionary is consistent with full disclosure because they disclose the information required to make it not misleading to outside investors.

**Accordingly**, the need for accounting disclosure comes through the importance of the financial and non-financial data contained in the reports and financial statements and the extent to which they can be relied upon by the parties that view them and use them in making various decisions.

The researcher believes that “full disclosure” is of great importance from the Islamic point of view, as “Islam forbids fraud, concealment or fraud in accounts, such as merging suspicious transaction data into different accounts, and Islam states the necessity of full disclosure of financial data that must clearly express everything it contains The project consists of assets, obligations and business results that financial numbers do not bear any interpretation or conclusion until the real financial position of the activity appears without ambiguity or politeness” (Atiya, 1989: 101). Which can benefit from this data, in order to learn through it what the bank is doing and what it seeks to achieve in terms of goals that can serve the Islamic community.

The parties that can use the financial statements and final accounts of Islamic banks and adopt them as an important basis for making decisions related to their relationship with those banks can be identified as follows: (Al-Saqa, 2002: 4)

1. Islamic bank management

The management of the Islamic bank represents one of the important internal bodies concerned with the financial data contained in the financial statements, through which it is possible to evaluate the bank’s performance during the period or financial periods, as well as assess its performance and judge the validity of the administrative, economic and financial policies that it used, through a set of indicators that The financial statements form the important basis. And the management of the Islamic bank - like the rest of the management of economic units in general - can obtain any data that it deems appropriate to take any decision it desires by virtue of its wide administrative authority.

2. Shareholders and potential investors

The shareholders in the activity of the Islamic bank are interested in the data that gives them reassurance that the bank seeks to achieve the goals they desire from it, and this comes through correct and useful data about the activities practiced by the bank “as the financial statements must include sufficient information to make these lists useful and not misleading for the ordinary investor.” Or the average investor, in addition, the prospective investors are interested in the same data that the shareholders are interested in, in that the Islamic bank actually carries out activities that comply with the provisions of Islamic Sharia and achieves its economic and social goals through it.

Accordingly, the prospective shareholders and investors will be interested in the following data that must be provided by the financial statements:

a. Detailed data on the nature of the activities carried out by the bank during the financial period.

b. Detailed data on the dividends arising and the ways in which those profits were measured.

c. Detailed data on dividends and profits subject to zakat and how they are distributed.

d. Additional data on the activities expected to be carried out during the subsequent financial period or periods.

3. The Central Bank.

There are many information that must be provided by the Islamic bank to the Central Bank - in the countries in which the bank operates - through a set of reports and financial statements, including:

a. Information related to credit and indirect obligations granted by the bank to its customers.

b. Any information, schedules or budgets related to its various accounts and its effectiveness in a unified manner and for each of its branches separately, and in the dates, form and manner determined by the Central Bank in its instructions.

c. Any information related to the bank's accounts and its various activities, including information relating to deposits, banking facilities, credit plan or any other information.

Through the foregoing, we note that the Islamic bank must provide a huge amount of data and information for the benefit of the Central Bank, as the Central Bank enjoys the following:

a. The right to supervise, control and inspect the bank, as applied in its law.

b. Approval for the bank to carry out all its banking, commercial, financial and investment activities and contribute to industrial, economic and urban development projects.

4. Relevant community groups

Community service is one of the main objectives within the objectives that the Islamic bank seeks to achieve through the following:

a. Direct and indirect financial contribution to projects that contribute to the development of the Islamic community.

b. Planning the investment of funds in investment activities in a manner that does not conflict with the priorities of the relative importance of the needs of the Islamic community.

c. Directing part of the financial surplus to social activities.

Accordingly, the various categories of the Islamic community who deal - or may deal later - with the Islamic bank will be interested in the data that the financial statements can provide by disclosing the following:

a. What are the contributions of the Islamic bank (financial and non-financial) for the development of the Islamic community?

b. How were the amounts allocated for zakat distributed? What are the categories that benefited from it?

c. Are there any developments or improvements in the quality of transactions carried out by the Islamic bank during the current financial period compared to previous financial periods?

d. Was the bank abiding by the provisions of Islamic Sharia with regard to its funding sources, investment formulas, or any other business it carried out during the financial period?

5. The various organs of the state

There are many government agencies that are interested in data related to the Islamic bank, including:

a. The General Tax Authority, which is concerned with the profits made by the bank and the imposition of taxes on them. In order for Islamic banks to play their social role, the researcher suggests that the role of the General Tax Authority be limited to making sure that the profits that are added to the zakat account in the Islamic bank are not less than the tax amounts that can be imposed on traditional banks, as they are not Collecting any amounts for tax purposes in view of the Islamic bank’s deduction of these amounts from the realized profits and then distributing them according to the provisions of Islamic Sharia to the categories stipulated by Sharia or spending them in areas that can serve the community in general, which means the possibility of exempting Islamic banks from imposing taxes in this regard. Like some projects that the state wants to encourage and continue its work in a way that leads to the service of the community in which it operates.

b. The Directorate of Retirement and Social Security, to ensure the deductions stipulated by law in this regard, as well as to ensure the quality of social services provided to the employees of the bank.

c. Specialized ministries, such as the Ministry of Finance, the Ministry of Planning, the Ministry of Interior...and so on, in order to certify the financial statements and benefit from the data they contain in the areas of planning and development at the state level.

One study indicates that: There is a lot of privacy, exclusivity and diversity in Islamic financing models, and in order to preserve the rights of depositors, a high degree of disclosure is required because the depositor is applied to the principle of profit and loss sharing, it requires making special accounts for each type of financing with different accounting rules in order to verify From the prudence of the bank in investing the sources of funds available to it, which is considered the bank’s commitment towards their owners as it is towards the owners is limited unlike that of traditional banks, where the bank’s commitment towards owners and depositors is considered unlimited, the nature of deposits in Islamic banks and their continuity in line with Islamic financing models whose nature imposes a long The financing period and being an important part of the bank’s funds sources creates an integrative relationship between deposit account holders and owners, since the investment of depositors’ money is made on the principle of profit and loss, to the extent that some schools of jurisprudence tend to call depositors silent partners, in addition to the sensitivity of the work of Islamic banks makes the public trust It is the necessary and sufficient condition for maintaining an efficient, effective, safe and sound Islamic banking sector capable of performing the role entrusted to it in the aspect Economic and social, including taking into account the religious and moral dimension required in this type of banks (www.deretna.com), which requires that there be a legitimate oversight that can contribute to strengthening the accounting disclosure in Islamic banks, depending on a set of requirements that will be clarified later.

1. **Accounting disclosure requirements in Islamic banks and the need for Shariah control.**

Given the importance of the issue of accounting disclosure in the banking sector, the United Nations issued in 1988 a paper under the name “Financial Disclosure in Banks”, which concluded: that financial disclosure would overcome some of the weaknesses existing in the banking sector in many regions such as Japan and America Latin and Africa, as transparency contributes to improving the ability of many users of financial statements to make their decisions, which is positively reflected on the financial markets, which requires special standards for disclosure in banks and financial institutions, and the Basel Committee on Banking Control of the Bank for International Settlements had an important role in The field of disclosure in banks, as the basic principles issued by it to achieve effective banking control may ensure one of them is the need for the supervisory authorities to verify that the banks follow the appropriate accounting policies, and several reports have been issued regarding disclosure in the financial statements in banks that include disclosure of trading in derivatives activities. Financial statements and other information that must be properly disclosed, such as how risks are measured and managed, so that users of financial statements can evaluate The ability of the bank to manage different types of risks, and among the most important recommendations made in the reports of the Basel Committee on Accounting Disclosure in Banks: (Ziod et al., 2006: 205-206)

1. The disclosure must give a clear picture of the nature of the bank’s business, and in particular information about the potential risks in financial derivatives practiced by the bank, and these risks include credit risks, market risks and liquidity risks, in addition to operational risks, legal risks and reputational risks, as well as The bank is required to disclose how it manages the risk of financial derivatives.

2. The notes should give useful information about how the bank's activities contribute to the achievement of its revenues.

One of the studies that dealt with “Requirements of Transparency and Disclosure in Islamic Banks with a Focus on the Possibility of Applying Basel Standards to Islamic Banks” reached: (www.deretna.com)

1. The fulfillment of the requirements of disclosure by Islamic banks in a way that enhances and ensures transparency in their operations requires the application of Basel standards to Islamic banks, bearing in mind that the application of these standards is possible in Islamic banks. Credit risks, for example, do not differ in these banks from those in conventional banks, which enables them to Calculating the capital needed to face credit risks using the same methodologies used in conventional banks.

2. The need to achieve transparency in Islamic banks in a more urgent way than in traditional ones due to the specificity of the work of these banks and the sensitive situation of some types of accounts that constitute a source of financing as part of the bank’s capital, such as: unrestricted investment accounts that are considered part of the bank’s capital and their owners are called partners Silent partner, which requires the existence of transparent practices in the use of these funds to preserve the rights of the holders of these accounts and to ensure the prudence of the bank in the use of these funds, as these accounts are also partners in losses based on a speculative contract between the bank and the owners of those accounts, which requires the necessity to achieve A fair Islamic bank distributes losses in proportion to the participation shares in the bank’s capital by shareholders and holders of unrestricted investment accounts.

3. The necessity for the supervisory bodies to set additional requirements in the field of Islamic banks’ disclosure of their data, since conventional banks are concerned with avoiding and eliminating risks in their operations, as opposed to the fact that Islamic banks include risks in their operations.

Based on the foregoing, as well as what was dealt with in the previous two sections of this research, it is noted that there are many data and information that are incumbent on those responsible for the accounting work to provide and present them in the form of reports, financial lists and detailed statements to many parties that can benefit from them in taking many of decisions and what ultimately leads to the possibility of judging the work of the Islamic bank in a sound and acceptable manner, as well as the possibility of providing forms of reassurance from shareholders, investors and dealers with the bank in its various financial and commercial transactions, and to ensure the correctness and soundness of their decisions that they have taken in relation to the work of the bank or that they take in The future (near and long term) regarding continuing to deal with it as well as increasing that deal. Accordingly, it is the responsibility of those in charge of the accounting work in the Islamic bank to do the following: (Al-Saqa, 2002: 15).

1. Preparing the final accounts and the financial position list in accordance with the generally accepted accounting principles that are relied upon in the various banks, taking into consideration those accounts that are affected exclusively by the work of Islamic banks, and trying to show their various financial effects on the bank’s activity, which leads to the beneficiaries’ knowledge of that.

2. Preparing detailed statements through which it is clarified how to reach each of the items that appear in the final accounts and the statement of financial position in order to create appropriate reassurance among the beneficiaries of the extent of compliance with the provisions of Islamic Sharia when they are calculated and accounted for.

3. Clarify the various investment formulas carried out by the bank, and indicate their impact on the result of the activity, as well as a statement of the beneficiaries' share of each.

4. The need to strengthen the final accounts and the list of financial position with an attached report on the Sharia Fatwa Board that must be present in each bank (or the main bank in the event of multiple branches) that reinforces the extent of the bank’s commitment to the provisions of Islamic Sharia in the work it has undertaken and which are described in those accounts and the attached financial statements Provided that this body is made up of at least three people who enjoy a good and well-known reputation and have the right to issue legal fatwas regarding such actions. It shall be submitted to this body in detail, especially with regard to profit measurement operations and related accounts.

5. Disclosing the amounts of Zakat deducted from the net distributable profits, and the method according to which the calculation process was carried out, in order to familiarize the shareholders with this, in addition to clarifying and clarifying the beneficiaries of these amounts.

6. Clarify the social aspects in which the bank will be important, especially with regard to the amounts of good loans granted by the bank with a statement of the beneficiaries and the opinion of the auditor on the strength of the financial position and the extent of the impact of granting these loans on the date of granting them, with an indication of the duration of each of them and the possibility of collecting them on the due date.

7. Clarify how to deal with the Central Bank with regard to the ratios of reserves to the amounts deposited with it and the extent of their conformity with the nature of the work of the Islamic bank.

8. Clarify how to deal with other banks, especially those that do not depend on the provisions of Islamic Sharia - as a basis - in their business (especially those that use the element of interest in their various financial transactions), so that this transaction does not lead to mixing the funds of the Islamic bank for its clients with those Funds, as well as the need to take this into consideration when measuring the result of the activity.

9. Clarify comparisons using financial ratios with other banks, especially those that do not adopt the provisions of Islamic Sharia as a basis in their financial transactions, in order to familiarize the beneficiaries (including the shareholders in particular) with the differences that arose from the different objectives of each of them, especially with regard to the areas of investment and profitability ratios that were Achieving them with clarification of the reasons for those differences (if they occur) whether they are increased or decreased in order to enhance confidence in the bank from the beneficiaries more.

It is recognized that after the completion of the accounting work comes the role of auditing accounts, through which the impartial technical opinion of the external auditor (the auditor) is expressed, including the data contained in the financial statements.

In light of the work in the environment of Islamic banks, the need arises for Sharia audit, both internal and external, given the interest of all parties that deal with Islamic banks in the data contained in the reports and financial statements.

The researcher believes that the matter requires that there be integration in the work of both the Sharia auditor (which focuses on the extent of compliance with the provisions of Islamic Sharia) and the financial auditor (which focuses on the extent of compliance with generally accepted accounting principles) in order to give a unified opinion on the reliability of the data it contains. Reports and financial statements that are submitted to various parties that can benefit from them in making their decisions, based on the fact that “the responsibility of the auditor, whether legitimate, internal or external, and the accountant in discovering errors and shortcomings is considered complementary to each other based on the accounting work and the adoption of the auditor of any kind, and it confirms What Al-Nuweiri and Hariri Al-Qalqashandi, as well as the Accounting and Auditing Standards Authority for Islamic Financial Institutions, said, the Muslim accountant is well-versed in his jurisprudence and his profession is capable of Sharia auditing and is qualified to assist the Sharia auditor as well” (Kantaqji, 2010: 15).

In light of the multiplicity of Shari’a and accounting auditing bodies, defining the concepts of terms used in the priorities of “professionalizing” Shari’a auditing, because the profession must have specific terms with specific meanings that are recognized by the profession. This also includes the necessity of defining the scope of work for external Shari’a auditing and avoiding any overlap With the scope of work of the internal Shariah or accounting and administrative audit, and the external financial audit (Mishaal, 2010: 10).

It has been stated in the statute of the Accounting and Auditing Organization for Islamic Financial Institutions (in Article 4 thereof) regarding Islamic accounting standards and Sharia standards: (Mishaal, 2010: 3-4)

1. Preparing and issuing accounting and auditing standards for Islamic financial institutions and their interpretation to reconcile the accounting practices followed by Islamic financial institutions in preparing their financial statements, as well as reconciling the audit procedures that are followed in reviewing financial statements prepared by Islamic financial institutions.

2. Seeking to use and apply accounting and auditing standards, statements and guidelines related to banking, investment and insurance practices issued by the Authority, by each of the relevant regulatory authorities, Islamic financial institutions and others who engage in Islamic financial activity and accounting and auditing offices.

3. Achieving congruence or convergence in perceptions and applications between the Sharia supervisory boards of Islamic financial institutions to avoid conflict or inconsistency between the fatwas and applications of these institutions, which leads to activating the role of the Sharia supervisory boards of Islamic financial institutions and central banks.

In addition to the above, the researcher believes that it is possible to benefit from the provisions of the corporate governance system issued by the Syrian Securities and Markets Authority (www.iefpedia.com/) for the purposes of enhancing the role of Shariah control in strengthening accounting disclosure in terms of:

1. The Board of Directors, based on the periodic reports submitted to it by: the executive management, the internal auditor, the internal Sharia auditor, and those sent to it by the Shariah Supervisory Board and the external auditor - reviews the bank’s performance, evaluates its business, and its good management, and identifies deviations and abuses. Analyze its causes, identify those responsible for it, hold accountable for it, and issue the necessary instructions to address it and avoid its recurrence.

2. An audit committee shall emerge from the Board of Directors:

a. It aims to review financial and legal reports, control and oversight systems, the scope, results and adequacy of internal and external financial and legal audits, and review accounting and legal issues that have a material impact on the financial statements.

b. Committee members must understand the relevant provisions and principles of Islamic Sharia and their applications to the products and services provided by the bank, and they must have familiarity with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions. The field of Shari’a control, not from the members of the Shari’a supervisory board of the bank, and the committee may seek the assistance of external Shari’a expertise after the approval of the Board of Directors.

c. It evaluates the effectiveness and adequacy of the internal Sharia audit function, and the extent of its contribution to ensuring compliance with the provisions and principles of Islamic Sharia (specifically the fatwas and decisions issued by the Sharia Supervisory Board).

d. Reviewing the scope, results and adequacy of the external Shariah audit (Sharia Supervisory Board).

e. The Committee liaises and coordinates with the Shari'a Supervisory Board and the Governance Committee to ensure that reports on compliance with Islamic Shari'a provisions and principles are prepared in a timely and adequate manner.

The Committee ensures compliance with the provisions and principles of Islamic Sharia, reviews the extent to which the laws and regulations are adhered to and the extent to which the bank’s policies and bylaws are adhered to. The provisions and principles of Islamic Sharia and Sharia standards, issued by the Accounting and Auditing Organization for Islamic Financial Institutions, which are approved by the Monetary and Credit Council.

g. The committee holds periodic meetings with the external auditor and the Sharia supervisory board at least once during the year and at least twice with the internal auditor and the internal Sharia auditor. The internal auditor, the internal Sharia auditor, the external auditor and the Sharia supervisory board have the right to request a meeting with the committee when the necessity of work so requires.

h. The Committee submits to the Shari’a Supervisory Board the Shari’a observations to the internal Shari’a audit, which it cannot decide on and follow up on due to the novelty of the subject of these observations and the absence of a previous opinion of the Shari’a Board on their subject.

i. Committee members must understand the relevant provisions and principles of Islamic Sharia and their applications to the products and services offered by the bank, and must have familiarity with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and those issued by the Islamic Financial Services Board.

j. Coordination with the Sharia Supervisory Board and the Audit Committee to ensure compliance with the evidence, focus on the privacy of Islamic banking and protect the interests of investment account holders stipulated in the contracts signed with them.

3. With regard to the internal Sharia audit:

a. The importance of internal Sharia audit stems from the specificity of the Islamic banking work represented by the presence of the Sharia side in all aspects of work and activity. Also, giving the necessary importance to this function to review the bank’s commitment in all its operations and transactions to the provisions and principles of Islamic Sharia contributes to spreading a climate of trust among the audience of dealing with Islamic banks and ward off Reputational risk.

b. Internal Sharia audit is an integral part of the internal control system.

c. The internal Sharia auditor submits Sharia audit reports to the Board of Directors/Audit Committee, after discussing the observations and recommendations with the appropriate administrative levels.

d. The internal Sharia auditor ensures the coordination of the work of the internal Sharia audit and the Sharia supervisory board to ensure that all aspects of the Sharia audit are covered and to avoid duplication of efforts whenever possible.

e. The Shariah observations that need to be issued a ruling are referred to the Shariah Supervisory Board.

4. Regarding disclosure and transparency:

The Bank performs the disclosure process in accordance with the laws and regulations in force, and as dictated by the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and the International Financial Reporting Standards (IFRS) on topics not covered by the standards of the Authority and in a manner that does not conflict with the provisions of Islamic Sharia.

5. With respect to the financial statements and reports:

a. Financial statements prepared in accordance with the laws and regulations in force.

b. Financial disclosures.

c. External auditor's report.

d. Sharia Supervisory Board report.

**Based on the foregoing**, it becomes clear the importance of Shari’a control in strengthening accounting disclosure in Islamic banks, and that there is a need to adopt the principles of Shari’a control when carrying out accounting and auditing work, as this would achieve reassurance for all parties that deal with Islamic banks and rely on their financial statements to take various actions. Decisions, as well as saying that this can also contribute to increasing the degree of confidence in the data contained in the reports and financial statements, which can contribute to strengthening the external auditor's report as well.

**Conclusions:**

Shari’a control is a process that verifies that all operations (financial and non-financial) carried out by an Islamic bank are in conformity with the provisions of Islamic Shari’a, carried out by an administrative body consisting of various specializations related to the nature of those operations, and thus leads to the recognition of their reliability in all aspects of legitimacy, financial and administrative .

There is a very close relationship between Sharia control and accounting and auditing work in terms of:

1. The large volume of data that arises from the operations carried out by Islamic banks, which are mostly financial data that entail accounting treatments and then a financial and accounting audit, which requires the presence of legitimate oversight that performs examination and analysis operations to ensure the extent to which the accounting treatments match those data in terms of legitimacy.

2. Internal control represents one of the sub-systems within the accounting systems and operates through its three types: accounting control, administrative control, and internal control, which is consistent with the types of internal legal control, which requires the necessity of integration in the work of all these types in order to reach Achieving the general objectives of Islamic banks.

3. The external auditor (the auditor) can rely on the report of the Sharia auditor of the Islamic bank, in order to express his impartial technical opinion and in a way that contributes to giving greater reliability of his report to the various relevant authorities, and the matter is also reversed through the need to agree with the opinion of the Sharia auditor With the applicable auditing standards so that there is no conflict between the work of the Sharia auditor and the work of the financial auditor.

Full disclosure is of great importance from the Islamic point of view, as Islam prevents fraud, concealment or fraud in accounts, such as merging suspicious transaction data into different accounts. From those data, in order to know through it the work of the bank and what it seeks to achieve in order to serve the Islamic community.

**Accordingly**: the need for there to be integration in the work of the Sharia auditor (which focuses on the extent of compliance with the provisions of Islamic Sharia) and the financial auditor (which focuses on the extent of compliance with generally accepted accounting principles) in order to give a unified opinion on the reliability of the data contained in reports and lists The financial statements that are presented to the various parties that can benefit from them in making their decisions.

And the necessity of having a Sharia supervisory body in Islamic banks, with an emphasis on defining the bodies that comprise it and describing their work in an accurate manner, provided that these bodies consist of various specializations related to Islamic banking, with a focus on the importance of the accounting specialization due to the size and importance of the accounting data that arise as a result of operations. carried out by Islamic banks.

The accounting and auditing staff (both internal and external) must be qualified in proportion to the size of their responsibility when working in Islamic banks and what their work requires along with other specializations, and their knowledge of the jurisprudence of transactions and Islamic accounting and auditing standards.

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