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# The Role of Judicial accounting in Limiting Creative Accounting Practices in Light of International Accounting Standards (An Exploratory Study in the Iraqi Judiciary)

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## **Abstract:**

*The research aims to address the knowledge bases of both judicial and creative accounting, as well as indicate the role that judicial accountability can play in limiting creative accounting practices in light of international accounting standards. Three hypotheses have been put forward, namely: (1) There is no relationship between the practiced of activities and procedures by creative accounting and judicial accounting practices, (2) The high rates of lawsuits and legal disagreements over financial and marketable matters require the use of judicial accountability, (3) there is no differences among the opinions of external auditors and legal and judicial personnel regarding the role of judicial accountability in limiting creative accounting practices. The research was applied to a sample of the auditors of the Financial Supervision Bureau and workers in the Iraqi law and justice. In order to achieve the objectives of the research and test its hypotheses, a questionnaire was designed and distributed to the members of the sample. A set of appropriate statistical methods was used to analyze the data such as the mean, standard deviation, and mannequin test. The research also reached a set of conclusions, the most important of which was that judicial accountability can help reduce unwanted practices of creative accounting in economic units.*

## **1. INTRODUCTION:**

It has emerged in recent years, especially after the events of the collapse of the company (WorldCom) and the company (Enron) and the download of (Arthur Anderson) company as being responsible for auditing and auditing the accounts of that company, part of the responsibility for the collapse of the company and accusing it of manipulating the accounting data of the company, taking advantage of some of the accounting policies that demonstrate accounting data without Its correct form, and given the prevailing conditions in the business

environment and the fact that many corporate departments resort to beautifying financial statements in an effort to improve the financial situation with regard to profitability or the financial position to achieve specific goals, these departments resort to using accounting methods Creatively taking advantage of the diversity of accounting alternatives to prepare financial statements and reports, which negatively affects the reliability of these statements and reports, and the emergence of what later became known as the name of judicial accounting (Forensic Accounting), which has become a focus of accountants and auditors working in the wire The judiciary and the law alike, but also all beneficiaries and dealers with the accounting data contained in the financial statements of the various companies, therefore the current research has focused on the subject of judicial accounting, with a clarification of its role in restrictive the practices of creative accounting in light of accounting standards a International.

### **The First Topic: Research methodology: -**

#### **1- 1- Research problem:**

The issue comes from the presence of financial issues that need a specific kind of bookkeepers to give help to get to money related realities and reestablish rights to their proprietors. The bookkeeping experience required by the judge when the instances of bookkeeping and monetary issues are analyzed through the notes introduced, particularly when money related control is based To a terrible use of worldwide bookkeeping principles, the judge can't condemn in these cases, and altogether not to blame the judge for refusing justice, the law has approved him to fall back on the bookkeepers to assist him with demonstrating the realities the numbers gave and along these lines issue the decision how is suitable.

#### **1-2 Research Objectives:**

The research seeks to address the knowledge bases of both judicial and creative accounting, and the research aims to highlight the importance of judicial accounting and to determine the role played by judicial accountants in restrictive the practices of creative accounting while making financial statements.

#### **1.3 The Importance of Research:**

The significance of the exploration originates from the significance of the subject of legal bookkeeping as avoidance, conclusion, and treatment additionally for the impacts of utilizing innovative bookkeeping as it speaks to a significant issue, particularly considering the organizations 'offices utilizing their techniques to show the consequence of the movement and the financial related situation so as to accomplish its objectives regardless of whether it is to the detriment of different groups.

#### **1-4- Research hypotheses:**

The research is based on three assumptions, namely: (1) There is no relationship between practiced of activities and procedures by judicial practices of accounting and creative accounting (2) The high rates of judicial disputes over financial and marketable matters require the use of judicial accountability, (3) there are no fundamental differences Statistical significance between the opinions of the external auditors as well as those working in the legal and judicial branches regarding the role of judicial accountability in limiting creative accounting practices.

#### **1-5- The Research Sample:**

The sample of the research is a group of external auditors and workers in the Iraqi judiciary, in order to demonstrate the role that judicial accountability can play in limiting creative accounting practices.

#### **The second topic: Theoretical framework for the research:**

##### **2-1 The Concept and Importance of Judicial Accountability:**

Judicial accounting is seen as an application of the principles of accounting, accounting theories and assumptions in a legal dispute, and it includes all branches of accounting knowledge, that is, judicial accounting consists of two basic elements which are legal services and investigation services. They are services that depend on taking advantage of the skills of a court accountant, which may not lead to testimony in the courtroom (Dasher & Peddlers, 1992: 8).

Judicial accounting involves making special skills in auditing and accounting, financial affairs, quantitative methods and parts of research and law, and analytical skills for collecting, analyzing, and evaluating evidence and interpreting findings and reports, and judicial accounting is performed in the form of a certificate or consulting, and thus judicial accountability is the application of specialized knowledge or A specific skill to find evidence from economic transactions. A command that indicates that judicial accountability is the complementarily between accounting and auditing in investigation skills. Simply put, judicial accountability is the appropriate accounting for a legal viewpoint. It provides the highest level of assurance that it can support a decision by the judiciary (Gulliver & Amar, 2009: 90).

There are professionals who see judicial accounting with investigative skill and financial expertise and perform in a legal structure and who provide sufficient proof to control deception as well as ensure the reliability of financial statements, where judicial accounting is defined as one of the modern professional fields that require a mix of knowledge and experience with advanced financial accounting and auditing With investigative skills to solve legal problems, the Judicial Accountant's report is a proof of proof in lawsuits and legal disputes, and it also provides an appropriate accounting analysis for the judiciary that works as a basis for discussion and controversy, then resolving and resolving legal disputes (Bones, 20 07:38).

Judicial accounting covers many areas such as business interruption, product responsibility, intellectual property, breach of security or agency, disputes between shareholders and partners, and due to the expansion of this scope and desire to work, the number of judicial accountants has increased, so many accounting offices are looking to obtain this type of accountant, and many of these offices can complete their need in this area through the use of experts from the audit departments, but this solution is not reliable in the long run, especially since the auditing mentality is very different from the judicial accountability mentality (Walkman, 2010: 45-46).

There are many skills and characteristics that are necessary for accountants in the jurisdiction of judicial accounting and that can be illustrated by the following: (Sergeant, 2013: 20-22)

1. Advanced education and training.
2. Continuing education in the appropriate disciplines.
3. Various experiences in the field of accounting and auditing.
4. Oral and written communication skills.
5. Business practical experience.

The most important skills and experiences that must be available in the judicial accountant are the skills related to accounting, auditing, taxes, commercial operations and management, internal controls, personal relationships and contacts with people and knowing how businessmen work. It is also necessary for the judicial accountant who wants to become a financial expert to work in implementing agencies. Law or the courts, in order to have experience working in complex fraud cases (Eviler, et.al., 2015: 36), and through that, the qualifications of a chartered accountant can be determined with the following: (Dasher & Peddlers, 1992: 9-10)

1. Academic and professional qualification and obtaining a certificate of experience in the field of specialization, as well as advanced knowledge of international accounting standards, foundations, rules and the intellectual and scientific framework of accounting and auditing issued by international and local societies, organizations and centers.
2. Scientific, practical and professional background in accounting and auditing, understanding the basics of the legal environment, communication and investigation skills, how to manage risks and controlling fraud, as well as creativity and trust through high performance, understanding matters, persistence and persistence in the performance of work and controversy in judicial cases.

## **2-2 The concept of judicial accounting and its methods for managing accounting profits and beautifying income forms:**

Creative accounting is seen as a procedure or steps that are used to manipulate financial numbers using options and practices of accounting principles, or any step for managing profits or preparing income, and thus it is about converting financial accounting numbers from what they really are to what they want Preparers by exploiting or taking benefits of existing laws, so creative accounting refers to accountants apply their knowledge of accounting standards and rules to handle the numbers recorded in business enterprises accounts (Clubman, 2003: 78).

Another scholar accepts that creative accounting is a far-reaching and general portrayal of the way toward controlling sums or the financial idea of inside intentions, as creative accounting was depicted as a procedure of controlling accounting numbers by taking advantage of the lucky break to dispose of adherence to accounting rules and options in contrast to estimation and applications of disclosure to move financial statements from what must It must be up to what is set up for these statements to be accounted for, and it is likewise a procedure by which exchanges are organized to deliver the necessary accounting outcomes as opposed to announcing these exchanges in a planned and unbiased way. (Gaza and Dunmore, 2007: 3). Thus, creative accounting refers to the use of deviant practices from standard, standard or customary accounting practices, and is characterized by the use of modern, sophisticated and innovative methods and practices to obtain a concession for income, property, assets or liabilities, as the results of those practices are complex, tiring and exciting in financial reports (Breton & Toffler, 2001: 94).

In light of the foregoing, the researcher believes that creative accounting is a modern, sophisticated and innovative practice through which accountants apply their knowledge of accounting principles to deal with the numbers evidence in companies 'accounts or manipulate them with the intent to achieve specific goals.

There is a set of misleading accounting methods that are used in creative accounting, which can be illustrated by the following: (Anastasia, 2008: 116-117)

1. The procedures of accounting give the permission to the company to choose between a different number of accounting means: - for example, the company is allowed in a number of countries to choose between a policy of eliminating the expense of development as it occurs and its consumption at the expense of the project's lifetime, and therefore the company can choose the accounting policy that gives her favorite picture.
2. Using some of the inputs in the accounts that are related to the evaluation or forecast: In some cases, when assessing the age of an asset in order to calculate depreciation, these evaluations are usually done within the work and the creative accountant has the opportunity to choose the appropriate numbers, for example, a statistician can evaluate the commitment The future financial pension, in which case the creative accountant can manipulate the value by choosing an appraiser known for his optimistic attitude.

3. Temporary dealing might be made either to influence budget or to change profits between accounting periods: This is achieved by entering into two or more deals connected with a third party inclined to help. For example, suppose that arrangements have been made to sell an asset to a bank instead of Lease this asset for the rest of its life so that the selling price of this asset can be subtracted above or below the current value of the asset.

4. Manipulation of the timing of deals: With the aim of determining a specific year to be loaded with profits or losses for any goal that the accountant aims, especially in the event of clear differences between the book value and the market value or the real value.

The authors of financial statements who are involved in creative accounting also take advantage of some accounting policies and legal loopholes in order to provide a misleading impression of profits in order to serve their various purposes and goals. There are many methods and practices that are used in managing profits and beautifying income images. Below we will review the most important of these practices and the goal of Do it, and it is as follows:

1. Generally, companies prefer to report on the trend of steady growth in profit rather than showing unstable profits with a series of dramatic ups and downs, and this is achieved through the provision of a large reserve for financial obligations and against the values of assets in good years until this reserve is reduced and thus improves Profits in bad years (Alicia, 2010: 48).

2. One of the various forms of managing profits and beautifying income forms is manipulating profits in order to link them with forecasts. For example, when that unit sells its products, recognition of a large portion of the profit achieved is postponed to future years on the pretext of covering the expenses of potential quality improvement and customer support (Amax & Hake, 2005: 16).

3. The members of the company's board of directors change the accounting policies in order to beautify the income image in some cases, in a desire to distract investors or observers from bad news. For example, K-Mart changes some of its accounting policies to show the quarterly earnings in excess of 30 % Of its value under previous accounting policies (Howard, 2002: 35).

### **2-3 the importance of judicial accountability in limiting creative accounting practices in light of international accounting standards:**

The services provided by judicial accounting are varied and in various fields of financial investigations to clarify and support lawsuits in different situations, and this requires the use of consultants, internal auditors, bankruptcy specialists, specialists in the banking fields, valuers, as well as lawyers, law professors and accounting in universities (Sergeant, 2013). : 24).

The judicial accountant provides an opinion based on known facts, but if the facts are unknown, the judicial accountant investigates the issue of disputes and then creates an

opinion based on the investigations he performs. Hence, the role of the judicial accountant in limiting creative accounting practices can be determined through a group From the points, which are as follows: (Bones, 2007: 40-42)

1. Judicial accounting faces marketable issues that relate to the experts accountants commitment, corporate valuations, legal disagreements of a financial nature, destruction, and economic disasters.
2. Judicial accountability is concerned with investigations related to fraud, where advisory services are provided and attention is also paid to important topics such as bank fraud that leads to bankruptcy and embezzlement.
3. A judicial accountant can also provide corporate valuation services such as economic loss analysis, appraisal of acquisitions, determination of the fair value of the merged company, evaluation of buying and selling.

**The third topic: The Applied side of the Research:**

**3-1- Research Society and Sample, Data Collection and Analysis Tools:**

The research community consists of auditors of the Financial Supervision Bureau as well as workers in the Iraqi judiciary of judges, investigators, and lawyers, either the research sample was chosen from a sample from this community in the province of Qadisiyah, and the research community, which is 53, consists of the following categories: auditors in the Financial Supervision Bureau The number of them is 70 auditors, 45 questionnaires were distributed to them, and the number of questionnaires that we obtained was 45, of which 38 were valid for statistical analysis. N, the number of 18 people have been reached, and to ensure the appropriate selection of the sample and with the knowledge and the subject of study to obtain more accurate results were distributed questionnaire and 18 questionnaires were obtained 15 valid for statistical analysis. The researcher relied on the personal interviews of the individuals of the research sample in addition to designing a questionnaire form as a source to obtain the necessary data to conduct the research. This questionnaire was designed in a way that is consistent with the goals and hypotheses of the research. The questionnaire included an introductory introduction that showed the nature of the research and general (demographic) questions of the research sample In addition to the questions related to testing the research hypotheses, the questions were formulated in the questionnaire so that the answer is converted to quantitative values on the Five Point Likert Scale scale, which takes the range from 1 to 5, and the scale level and its degrees can be explained as follows: -

I do not agree Completely	I do not agree	neutral	Agreed	Agreed Completely	Scale level
1	2	3	4	5	Class

The researcher has tested the reliability of the data, the consistency of the questionnaire applied in collecting of data by forming a correlation coefficient (Cronbach Alpha) that demonstrates the level of correlation between the measurements expressing the responses of the sample individuals, and the value of this parameter was 86% which is the value It can be inferred from the possibility of relying on the answers of the members of the sample, as the value of the alpha correlation coefficient is acceptable if it is equal to or greater than 75%, especially in the field of social research, and therefore it is possible to rely on the results of statistical analysis, as the statistical program for science has been applied Meet The SPSS19 has been used, and the arithmetic mean was used in relation to the maximum value of the five-degree Likert scale, as the study is acceptable if it has a percentage higher than 60%, that is, if the arithmetic mean exceeds three degrees of the scale area, in addition to using the standard deviation that is One of the scales of dispersion. It aims to express the amount of dispersion of values from their mean.

The questionnaire was distributed to the members of the research sample and represented by the external auditors working in the Financial Supervision Bureau, as well as a group of judges, judges, investigators, and lawyers working in the Qadisiyah governorate, and Table (1) shows the results of distributing the questionnaire lists to the members of the research sample.

Table (1)

Results of distributing the questionnaire lists to the members of the research sample

<b>WORKERS IN THE JUDICIARY</b>		<b>EXTERNAL AUDITORS</b>		<b>STATEMENT</b>
<b>percentage</b>	<b>the number</b>	<b>percentage</b>	<b>the number</b>	
<b>%100</b>	<b>18</b>	<b>%100</b>	<b>45</b>	<b>Distributed questionnaires</b>
<b>%83.3</b>	<b>15</b>	<b>%84.4</b>	<b>38</b>	<b>Recoverable and analyzable questionnaires</b>
<b>%16.7</b>	<b>3</b>	<b>%15.6</b>	<b>7</b>	<b>Non-refundable questionnaires</b>

Source: Prepared by the researcher.

The above table shows that 45 questionnaires were distributed to the auditors, 84.4% of which were retrieved for analysis, either questionnaire distributed to workers in the judiciary, 18 questionnaires were retrieved, 83.3% were subject to analysis, and the demographic characteristics of the sample individuals can be analyzed through Table (2).

Table (2)

Analysis of the demographic characteristics of the individuals in the research sample

WORKERS IN THE JUDICIARY		EXTERNAL AUDITORS		STATEMENT		Sr#
percentage	the number	percentage	the number	Category	variable	
%13.3	2	%21.1	8	Year 45 - 35	Age	1
%40.0	6	%26.3	10	Year 55 - 45		
%46.7	7	%52.6	20	أكثر من 55 Year		
%26.7	4	%47.4	18	female	Sex	2
%73.3	11	%52.6	20	Male		
%80.0	12	%65.8	25	BA	Qualification	3
%13.3	2	%15.8	6	M.A.		
%6.7	1	%18.4	7	Ph.D.		
-	-	%100	38	Accounting	Specialization	4
%100	15	-	-	Law		
%20.0	3	%21.1	8	5-10 years	Years of Experience	5
%46.7	7	%28.9	11	10-15 years old		
%33.3	5	%50.0	19	Over 15 years old		

Source: Prepared by the researcher.

It is clear from Table (2) that 52.6% of the auditors are over 55 years of age, either working in the judiciary, the largest proportion was for the age group over 55 years, and for the male proportion of auditors 52.6%, and among those working in the judiciary 73.3%, The percentage of those holding a bachelor's degree from auditors was 65.8%, either of those working in the judiciary, all of them holding a bachelor's degree by 80%, and in terms of years of experience for auditors, the largest proportion of more than 15 years was 50%, either of those working in the judiciary was the largest proportion of the category From 10 to 15 years old by 46.7%.

### 3-2- Analyzing and Discussing the Research Results:

Table No. (3) shows the results that were reached from the point of view of the two research samples represented by each of the external auditors working in the Financial Supervision Bureau, as well as those working in the judiciary, including judges, investigators, and attorneys, as follows:

Table (3)

Actions that judicial accountability can exercise to limit creative accounting practices

Discharge		Workers in the judiciary		External auditors		Variables	S #r
P	Z	standard deviation	The average Arithmetic	standard deviation	The average Arithmetic		
0.172	1.425-	0.834	4.468	0.918	4.159	A judicial accountant can work with the company's board of directors to choose appropriate accounting policies for preparing financial reports.	1
0.855	0.336-	0.817	4.335	0.852	4.366	The accountant can evaluate the accounting policies and principles applied in the company	2
0.482	0.712-	0.517	4.534	0.595	4.398	An increase in numerous commercial disputes and cases with the critical need for support.	3
0.776	0.321-	0.834	4.1333	0.677	4.234	Judicial accounting ensures that the policies applied are consistent with accounting standards	4
0.695	0.575-	0.836	4.137	0.649	4.265	Judicial accounting works to ensure that the company follows developments in the accounting standards applied and issued by professional bodies.	5
0.403	0.834-	0.508	4.602	0.644	4.429	Judicial accounting understands both management's responsibilities and duties with regard to	6

						accounting estimates when preparing .financial reports	
0.458	0.724-	0.633	4.403	0.639	4.392	Judicial accounting works to ensure that the financial statements and reports are appropriate for its users	7
0.822	0.233-	0.509	4.404	0.672	4.398	Judicial accounting works to ensure adequate accounting disclosure and transparency in reports.	8
0.028	2.433-	0.415	4.812	0.912	4.234	Judicial accounting ensures that the company continues to apply international accounting principles and standards properly and periodically.	9
0.287	1.459-	0.459	4.734	0.769	4.509	Judicial accounting discusses administration while altering the standards, and functional accounting policies and their impact .on the quality of reports	10
0.526	0.128-	0.976	3.668	0.533	3.443	Judicial accounting examines and reviews the report of the Board of Directors to ensure that the information contained therein is consistent with the .financial statements	11
0.266	1.238-	1.248	3.469	0.556	3.266	Judicial accountability follows the management in implementing the observations addressed to it by the internal auditor.	12
0.544	0.456-	1.122	3.633	1.029	3.369	Judicial accountability is	1

						investigated in relation to illegal and questionable activities.	3
0.089	1.127-	0.704	3.734	0.916	3.368	The judicial accountant provides an opinion based on a known fact and an opinion based on investigations of disputes.	1 4
0.065	1.231-	0.744	3.845	0.922	3.343	The accountant provides legal advice in the field of litigation for disputes arising out of professional responsibility.	1 5
0.393	0.456-	1.049	3.389	0.834	3.109	A judicial accountant may act as one of the experts in cases of litigation in accounting and financial affairs and taxes.	1 6
0.946	0.342-	1.346	3.336	0.911	3.316	The judicial accountant works to resolve divorce settlements between spouses who own ownership of a private company and partnering in a business.	1 7
0.564	0.336-	0.638	3.556	0.944	3.311	The judicial accountant investigates in cases of damage to determine the value of compensation and damages on the bases of accounting standards.	1 8
0.741	0.341-	0.991	2.444	1.147	2.362	Judicial accountability reviews the auditor's compliance with government principles and mechanisms	1 9
0.922	0.986-	0.63246	4.429	0.591	4.424	Judicial accounting uses for marketable issues	2 0

						connected to the specialized commitment of accountants, corporate valuation and legal disagreements of a professional nature.	
0.458	0.658-	0.633	4.408	0.50390	4.556	The accountant be present at the inquiry process to review the interrogations or include new questions	2 1
0.697	0.236-	0.517	4.468	0.544	4.399	Judicial accountability contributes to enhance and maintain the internal control system and assuring the autonomy of the external auditor.	2 2
0.692	0.386-	0.518	4.467	0.543	4.397	Judicial Accounting talks about the external auditor with the consequences of the report	2 3
0.709	0.547-	0.744	3.531	1.472	3.238	Judicial Accounting observes the knowledge provided in the information of the external as well as internal auditors.	2 4
0.729	0.267-	1.438	3.2666	1.655	3.104	Judicial accountability assists in the procedure of recognizing risks that have an effect on the quality of financial reports.	2 5
0.903	0.231-	1.299	3.3333	1.579	3.312	Judicial accounting contributes to evaluating the efficiency of risk management that affects financial reports.	2 6
0.612	0.238-	0.743	3.468	1.535	3.523	Judicial Accounting studies the	2 7

						<b>management's risk report</b>	
<b>0.465</b>	<b>0.337-</b>	<b>1.456</b>	<b>3.669</b>	<b>1.736</b>	<b>3.188</b>	<b>Judicial accountability assesses the effectiveness and efficiency of an internal auditor</b>	<b>28</b>
<b>0.871</b>	<b>0.226-</b>	<b>0.978</b>	<b>2.334</b>	<b>1.118</b>	<b>2.318</b>	<b>Judicial accounting determines the risks arising from fraud</b>	<b>29</b>
<b>0.516</b>	<b>0.112-</b>	<b>1.683</b>	<b>2.461</b>	<b>1.433</b>	<b>2.215</b>	<b>Judicial accountability is a channel of communication between management and auditor.</b>	<b>30</b>

Source: Prepared by the researcher.

Likewise, the results of the research according to the test of Mann and Tani indicate that there are no significant differences between the two middle groups with regard to a set of procedures practiced by judicial accounting, and thus lead to a limitation of creative accounting practices in Iraqi companies and institutions, as the activities and procedures practiced by judicial accounting With regard to supporting the internal and external audit function, it has an average effect on limiting creative accounting practices, and activities in judicial accounting in relation to risk management have a weak impact on limiting creative accounting practices.

### **3-3- Test the Research Hypotheses:**

The researcher has tested the research hypotheses after analyzing its results in order to ensure the importance of judicial accounting procedures in limiting creative accounting practices. Research hypotheses can be tested as follows:

#### **First: Test the first Hypothesis of the Research:**

The first hypothesis states the following: no association between the process and activities practiced by creative accounting and judicial accounting. Referring to Table (3), we will find that the general average of the responses of lawmen and workers in the judiciary for the total activates carried out by judicial accountability is (3.798), and also the overall average of the respondents' answers from the external auditors of the total procedures carried out by judicial accounting which is 3.649, and each of the previous two general averages is greater than three degrees, and this means that there is a relationship between the activities carried out by the investigators Judicial nature and between limiting creative accounting practices and based on the foregoing, the researcher acknowledge the alternative hypothesis: no association between the process and activities practiced by creative accounting and judicial accounting.

### **Second: Testing the Second Hypothesis for Research:**

The second hypothesis states the following: (The high rates of lawsuits on financial and commercial matters require the use of judicial accountability), as fraud scandals for international companies such as Enron Worldcom and others, and the resulting lawsuits that have created a great demand for services provided by accounting Judicial and it will play a decisive role in the investigation of financial scandals suspected of embezzlement of assets, as well as high rates of litigation and judicial disputes that have led to the need for the judiciary of experts or consultants from accountants so that they can benefit from their experience and skills and the depth of their ability to As a result of the investigation and discovering the extent of the truthfulness of the information contained in the financial statements and expressing an opinion in the judicial cases related to financial violations and fraud in the statements, by reference to Table (3) we will find that the general average of the responses of lawmen and employees of the judiciary confirms that there is an increase and an increase in the rates of judicial cases on financial matters is (3,688), as well as the overall average of respondents' answers from external auditors to the need for judicial disputes for judicial accountability is (3.438), and each of the previous two averages is greater than three degrees from the five-Likert scale, and this indicates that there is an urgent need for Judicial Asph due to high judicial disputes and litigation rates in Iraqi courts, and on the bases of above arguments, the second hypothesis would be accepted, which states the following: (The high rates of judicial proceedings and disputes about the financial and commercial matters requires the use of judicial accountability).

### **Third: Third Hypothesis for Research:**

The third hypothesis states the following: no significant differences of statistical significance between the opinions of external auditors and workers in the law and the judiciary regarding the role of judicial accountability in limiting creative accounting practices), and by returning to the previous table No. (3) also, it becomes clear to the researcher that test used to determine the differences among the opinions of the two research samples with regard to activities done by judicial accounting, where the members of the research sample unanimously agreed that there is a noticeable increase in the number of cases and judicial disagreements connected to financial issue that lack clear evidence of proof and condemnation, as well as The individuals of the research sample hardened that the activities carried out by judicial accounting with regard to monitoring the application of accounting standards as having a significant impact in limiting creative accounting practices, and thus we find that the moral value of p is  $0.57260 > 0.05$ , and this means no differences among opinions external auditors and among employees in the Iraqi law and judiciary in relation to judicial accounting activities in limiting creative accounting practices in Iraqi companies and institutions, and therefore the researcher acknowledges the third hypothesis which states the following: (Each of the external auditors and Workers in the wire law and the judiciary with regard to the role and procedures of accounting methods in reducing judicial creative accounting practices).

## **The fourth topic: conclusions and recommendations:**

### **4-1- Conclusions:**

After analyzing the research results and testing its hypotheses, the following conclusions can be presented:

1. The scandals about fraud of international business and the resulting court cases have created a great demand for the services given by judicial accounting because they play a crucial role in investigating the financial scandals suspected of misuse of resources.
2. There is a noticeable boost in the number of cases and judicial disputes that are connected to financial issues and that lack clear evidence of proof and conviction.
3. The members of the research sample emphasized that the activities carried out by judicial accounting in terms of supervision and control of the proper usage of international accounting standards, control of financial reports, the examination of internal control systems and their evaluation with a significant effect in limiting creative accounting practices.

### **4.2 Recommendations:**

After reviewing the research findings, the researcher recommends the following:

1. The necessity of developing accounting curricula in Iraq to prepare qualified judicial accountants to work as professionals in giving the support the judges with their accounting knowledge, investigation and auditing abilities of international accounting standards.
2. Developing the Commercial Arbitration Section of the Association of Iraqi Accountants and Auditors to include a branch of forensic accountants after they obtain the necessary qualifications to assist in carrying out appropriate financial investigations.
3. Achieving complementarity between the external auditor of the Financial Supervision Bureau and the judicial accountant to activate their role in obtaining useful evidence for judicial disputes.

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