

FORENSIC ACCOUNTING AND INCREASING THE QUALITY OF EXTERNAL AUDIT

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Abstract

The present research aims to indicate the extent of the contribution that forensic accounting has towards the work of auditing companies and offices in Iraq from two aspects. The first aspect is focused on combating fraud and manipulation carried out by companies in their financial statements, and the second aspect, on facing lawsuits filed against auditors in courts. In order to achieve these goals, the research is based on preparing a questionnaire and then distributing it to the research sample using the arithmetic mean and standard deviation to analyse the results of the questionnaire based on the 5-point Likert-Type scale to reach the results and test the research hypotheses. The most important conclusion of the research is that forensic accounting has a role in identifying corruption cases and discovering cases of fraud within the economic units, and that it also contributes to strengthening the position of the auditors in the case brought against them in court. Moreover, the research delivered a set of recommendations, including the need for auditing companies and offices to appoint a person familiar with and qualified in forensic accounting, who is able to help in identifying corruption cases and discovering cases of fraud in the economic units that are audited, and also enhances the position of the auditors in court on the lawsuits filed against them.

Introduction

FIRST: THE RESEARCH METHODOLOGY

The phenomenon of corruption began to grow rapidly all over the world, and the ways in which it is practiced have developed, thus it became necessary to search for effective solutions that would help reduce this phenomenon. Perhaps one of these solutions is to qualify a person with multiple skills who is called a forensic accountant, bearing in mind that in recent years there has been a wide debate about the role of the external auditor and his responsibility in discovering violations, and many of the lawsuits filed against the auditor in courts came from clients and for multiple reasons, including failure to discover embezzlement. Moreover, forensic accounting is one of those procedures that help the auditor limit creative accounting in companies.

1- The Research Problem

As a result of the increasing cases of fraud and manipulation in the financial statements of companies, there is a renewal of interest in the scientific fields that work to combat fraud and corruption, and forensic accounting is among these fields. It would be useful to determine the extent of the different needs in various fields of forensic accounting to assist auditors in carrying out the work assigned to them properly when auditing companies. Accordingly, the

problem lies in the extent to which auditors in Iraq need various forensic accounting skills to combat fraud and manipulation in the financial statements, as well as the consequent lawsuits in courts.

2- The Aim of the Research

This research aims to achieve the following objectives:

A: Determining the extent to which auditors' offices in Iraq need judicial accounting in combating cases of fraud and manipulation and practising creative accounting methods used by companies in their financial reports, and also preparing them to achieve certain purposes.

B: Determining the extent to which auditors' offices in Iraq need judicial accountability regarding the lawsuits filed against them and arising from their legal responsibility towards the client, the third party, or the community.

3- The Importance of the Research:

This research derives its importance from the importance of the issue of needing forensic accounting skills for the work carried out by the auditors, as these skills enhance their effectiveness and the efficient performance of their role. Forensic accounting comprises a set of activities carried out by accountants in investigating fraud, addressing its effects, and supporting its prosecution. Furthermore, this helps the auditor carry out his duties properly and reduce the risk of fraud, manipulation, administrative corruption, and the issuance of misleading financial statements, as well as helps him render the companies' financial reports more fair and reflective of the actual activities of the companies. On the other hand, the auditors may be subjected to being sued in courts, due to failure in carrying out their work thoroughly.

4- Research Hypotheses:

This research comes to verify the possibility of forensic accounting in the performance of auditors' offices in Iraq, the research sample, by testing the following hypothesis:

A: Forensic accounting does not contribute to the performance of auditors' tasks related to combating fraud and manipulation carried out by companies in their financial statements.

B: Forensic accounting does not contribute to helping auditors deal with lawsuits brought against them in courts.

5- Means of Collecting Data and Information

For the purpose of covering the theoretical and applied aspects of this research, the following were relied upon:

A: The Theoretical Aspect: the researcher relied on scientific references from books, research studies, doctoral dissertations, master's theses, Arab and foreign periodicals that serve the study, as well as on websites available on the internet, in order to extract the latest information and developments and try to benefit from them in addressing the problem of the study and achieving its goals.

B: The Applied Aspect: the researcher used a number of means to obtain the required data and information, most notably preparing a questionnaire and distributing it to the research sample and using the arithmetic mean and standard deviation to analyse the results of the questionnaire based on the five-point Likert-Type scale consisting of 1 to 5 degrees to reach the results and test the research hypotheses.

SECOND: THE THEORETICAL FRAMEWORK OF THE RESEARCH

1- Forensic Accounting - A Conceptual Introduction

A: The Concept of Forensic Accounting

Forensic accounting has been defined in multiple ways. Some defined it as a one of the fields of accounting knowledge, specialized in clarifying the obligations that derive from actual and expected disputes between the conflicting parties of the court (Al-Jalili, 2012: 83).

Like any kind of knowledge, it includes financial experience, knowledge of fraud, understanding the realities of business and the functioning of the legal system, namely: the integration of accounting, auditing and investigation skills in order to provide an appropriate accounting analysis for the settlement of disputes in courts (Greenland, 2015:2), whereas Dreyer sees it as following: examining the financial statements using auditing and investigation skills for use in a court of law (Dreyer, 2014:3).

It was also defined as following: applying a set of accounting, financial, investigative and research knowledge and skills, collecting and evaluating evidence, using quantitative methods, and communicating results (Gray, 2008:20).

The American Institute of Certified Public Accountants (AICPA) defines forensic accounting as services that include the application of specialized knowledge and investigative skills possessed by certified public accountants, and these services use specialized accounting, auditing, taxation, and other skills (Huber, 2012: 268-270), while the definition of the Association of Certified Fraud Examiners (ACFE) defined it as the use of accounting skills in cases involving actual criminal or civil lawsuits, and it is not limited to generally accepted principles of accounting and auditing (Al-Khalidi, 2012: 25).

Recently, it is noted that the demand for forensic accounting has increased proportionally with fraud in companies and businesses (Shanikat and Khan, 2013: 1).

Through the above definitions, we can define forensic accounting as a speciality that deals with the application of accounting facts and concepts collected through auditing methods and procedures to solve legal problems that require integration of investigation and accounting and provide support in litigation by supplying accounting skills and auditing for multiple businesses.

B: Objectives of Forensic Accounting:

The objectives of forensic accounting are as follows (Khalaf, 2015: 52-53):

- 1- Investigating and discovering fraud and identifying cases of evasion of financial obligations.
- 2- Determining the amount of incurred or potential material losses and damages and collecting financial evidence to support legal claims.

3- Verify the validity of the amounts calculated for the purpose of compensation claimed in courts.

C: Requirements and Uses of Forensic Accounting:

One of the requirements of forensic accounting is for the forensic accountant to be familiar with concepts, procedures and legal rules, and also to be able to determine the legal form and substance when dealing with a case. Judicial contracts usually require analysis, interpretation, summarization and presentation of complex issues related to financial and commercial matters in an understandable manner. ACFEI has set 72 paragraphs on forensic accounting (Greenland, 2015: 3-5)

Forensic accounting is used in several fields, including the following (Hassan, 2015: 128-129):

- Investigating fraud and manipulation in the companies' financial report and providing appropriate evidence.
- Estimating losses in case of claiming compensation from insurance companies.
- Evaluation of the establishment in the event of liquidation, estimation of creditors' rights and priority of payment.
- Evaluating the extent of compliance with laws and legislations related to grants, donations and government subsidies.

2- Account Controller:

A: The Auditor (Characteristics, Duties, and Responsibilities):

The auditor is the person who performs the audit and submits a report in which he expresses his opinion on the financial statements of the economic unit (Abdullah, 2004:150). The auditor must exhibit certain characteristics, the most important of which are honesty, impartiality, independence, realism in the performance of his work duties. He also must be up-to-date on of everything that is published about related international bodies, associations and organizations (Al-Matarina, 2006: 81).

The rights of the auditor are often determined by laws and legislations, or they are derived from the letter of assignment and also from the agreement that was made between him and the client. Moreover, the professional determinants specify some of these rights in addition to what is contained in the rules of professional conduct, the constitutions of the profession and the regulations for practising the profession, and in the event that the auditor is unable to fully use these rights, he must point that out in a report submitted to the management of the economic unit, or to present the matter to the owners that the administration that does not carry out his task (Al-Qadi Wahdoun, 1999: 95).

We can define the most important rights of the auditor (the right to examine, the right to request data and clarifications, the right to summon the General Assembly to a meeting, the right to discuss the proposal of being dismissed, the right to attend the meetings of the General Assembly and obtain copies of the notifications sent to shareholders, the right to seize documents and papers until obtaining his fees, the right to seek the assistance of experts, the right to refrain from expressing an opinion on the financial statements (Al-Alusi: 2006: 141). We focus here on the right to seek the assistance of experts in order to benefit from the services of the forensic accountant.

The responsibility of the auditor is determined by the results or damages resulting from his breach of his duties towards other parties, which allows the affected parties to question the auditor before the judiciary and to demand compensation for any damage that may befall them and allege the criminal liabilities that he may be exposed to (Al-Qadi and Dahdouh, 1999: 99).

B: The Role of the Auditor in Confronting Fraud and Swindle Practices (Creative Accounting):

The auditor is required to design the audit process so as to reach an appropriate assurance to discover material misstatements in the light of the concept of relative importance in the financial statements, where the auditor must at all stages of the audit follow a behaviour characterized by professional scepticism, and where the auditor must take into account the possibility of the dishonesty of the management, not the possibility of its dishonesty on the whole (Erenz and Lubeck, no year of publication, 196-197).

Creative accounting represents a process of manipulation, fraud, misleading, and methods of deception and swindle aimed at changing real information into misleading information so as to serve certain parties, and since the purpose of International Auditing Standard 240 (Fraud and Error) is to set standards and provide guidance related to the auditor's responsibility in taking into account fraud and error during the process of auditing the financial statements, it did not differentiate between fraud that violates the law and fraud resulting from the practice of creative accounting methods (Al-Mutawaqi, 2017: 76).

When auditing the financial statements, the auditor must take into account a set of considerations regarding creative accounting methods, which were defined by International Auditing Standard No. 240 issued by IFAC, and the most important of these considerations are the following (Arab Society of Certified Accountants, 2008: 270-298):

- The auditor must maintain an attitude of professional scepticism, taking into account the possibility of material misstatement due to fraud.
- The main responsibility for preventing and detecting fraud rests with each of the persons entrusted with control in the establishment and its management.
- The audit process, which is carried out in accordance with international auditing standards, is designed to provide reasonable assurance that the financial statements taken as a whole are free from any material misstatement, whether due to fraud or error.
- The risk of not detecting a material misstatement resulting from fraud is greater than the risk of not detecting a material misstatement resulting from error.

3- Forensic Accounting and Its Ability to Assist the Auditor in His Work:

After a study of a group of companies that declared bankruptcy, it was concluded that the responsibility of the auditor in discovering material fraud within the companies is at the forefront of the public's attention, and the legal and regulatory requirements increased with the responsibility of auditing by revealing creative accounting practices regarding the financial statements, which resulted in AICPA issuing a list on auditing standard No. 99 entitled "*Taking fraud into account when auditing financial statements*" (Qambar, 2015: 49-50).

Despite the interest of the auditor in discovering errors and fraud that occur in financial books and reports, and the interest of professional organizations and researchers in the field of

accounting and auditing out of the need to place the responsibility for discovering errors and material fraud on the auditor upon dealing with the wishes of the financial community and the judiciary, it seems that errors and fraud have constantly increased until now (Al-Halabi, 2009: 55). Also, if we look at forensic accounting, it actually is judicial support that includes accounting, due to the fact that most fraud examinations include forensic accounting, but not every work of forensic accounting is a fraud examination. Thus, the need emerged for forensic accountants to investigate unsound financial activities and submit detailed reports of cases that clarify facts about registered numbers and their accuracy, which guide judges to apply the law more fairly and accurately (Al-Jalili, 2012: 83).

In the traditional financial audit process, the focus is on a sample of such transactions, on the search for accuracy and reliability in the financial statements, on notes taken in the auditor's report in the event of any deviation or error and the use of rigorous digital forensic accounting, identification and reporting of exceptions and irregularities, verification of financial statements and other accounting activities, with the aim of providing evidence of legal procedures that help detect types of fraud and creative accounting techniques (Grubor & others, 2013:2-3).

Forensic accounting methods are represented in auditing, after the completion of operations, by the legislative review, compliance with systems, and conducting the examination to determine the risks resulting from personal encounters with officials and investigation of questionable and illegal activities. The forensic accountant is considered an expert in litigation that includes accounting and financial affairs, preparing and analyzing taxes, misrepresentations of the financial statements in all its items, and damages resulting from fraud and fraud in the financial statements. From this we can say that forensic accounting seeks to limit the practice of creative accounting methods through evaluation processes and the investigation of swindle, financial irregularities and fraud in the financial statements and unconvincing changes to alternative accounting policies (Hassan 2015:131).

On the other hand, he believes that many of the lawsuits filed against the auditor are a result of the increased risk of bankruptcy of companies during the recession, and that many of the lawsuits filed against the auditors are from clients and for multiple reasons, including the claim that the audit process was not completed on the agreed date, or failure to withdraw from the audit task in an appropriate manner, or failure to discover embezzlement, or failure to comply with the confidentiality requirements of certified public accountants (Lotfi, 270: 2005).

Therefore, forensic accounting was defined as a field of accounting knowledge specialized in clarifying the obligations that result from actual disputes, due to the fact that one of the most important reasons for their emergence of forensic accountants lies and the interest in their role lies in their use in courts as arbitrators and consultants in cases related to declaring bankruptcy of companies, liquidating their dues and resolving disputes related to their distribution (Nunn & other, 2006:5) (Muehleemann & other, 2012: 16-17).

The forensic accountant can provide his assistance in various ways, including the following (Domino & others, 2017: 638-639):

- Providing initial advice for a preliminary assessment of the pleading and evidence available at the beginning of the case proceedings.
- Determining the main documents that need to be provided as evidence.

-Preparing a balanced report detailed with evidence written in a language that is easy to understand for non-accountants.

- The expert's review of the accounting reports proposed by the other party, which may affect the amount of evidence, as well as providing advice to the lawyer about these reports.

-Briefing the financial and accounting aspects of the case to the legal advisers during pre-trial preparation.

THIRD : THE PRACTICAL FRAMEWORK OF THE RESEARCH

1- The Community and Sample of the Research and Its Limits

The research community is represented by auditors' offices in Iraq. The researcher used auditing companies and licensed auditors' offices in Iraq. A simple random sample was taken from the research community, where 30 questionnaires were distributed to auditors, chartered accountants, and employees working in these offices. 23 were received complete, with a percentage of 76.7%.

2- The Research Tool

The researcher used a number of methods to obtain the required data and information, the most prominent of which are the following:

A: Preparing a Questionnaire: After reviewing books, reports, scientific periodicals, and scientific websites, and taking the opinion of many academics specialized in the field and also of chartered accountants, a questionnaire was prepared and distributed to a number of auditing companies and offices in Iraq and their employees, in order to test the hypotheses of the study and measure the variables.

B: Using the Five-Point Likert-Type Scale, consisting of 1 to 5 grades. The answers for each paragraph according to this scale are as follows:

Table N^o. 1 - LIKERT SCALE

RATING	Stongly Agree	Agree	Neutral	Disagree	Strongly Disagree
GRADES	5	4	3	2	1

3- Characteristics of the Research Sample

We analysed the first section of the questionnaire in order to describe the research sample according to personal characteristics, as shown in Table N^o. 2. The results were as follows:

Table N^o. 2 - DESCRIBES THE DISTRIBUTION OF THE RESEARCH SAMPLE ACCORDING TO PERSONAL CHARACTERISTICS

ATTRIBUTE	CATEGORY	NUMBER	PERCENTAGE %
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GENDER	Male	16	69.6
	Female	7	30.4
	TOTAL	23	100%
ACADEMIC DEGREE (SCIENTIFIC QUALIFICATION)	PhD	5	21.7
	MA / MSc	4	17.4
	Higher Diploma	4	17.4
	BA / BSc	9	39.1
	Other	1	4.3
	TOTAL	23	100%
SCIENTIFIC SPECIALIZATION	Chartered Accountant	7	30.4
	Accountant	6	26.1
	Business Administration	4	17.4
	Law	3	13.0
	Other	3	13.0
	TOTAL	23	100%

From the table above, the following is noted:

- It is noted from the distribution of the research sample according to gender that the largest percentage of the sample's gender are males, and this may be due to the nature of work in audit offices in Iraq and due to the general situation.
- While it is clear that the largest number of respondents are holders of a Bachelor's degree, the holders of a Doctoral degree come in second place among the respondents nonetheless, as their number was 5, and this number gives a good indication of the sample.
- As for the number and percentages of scientific specialization, the largest percentage and number of individuals in the sample are from the jurisdiction of legal accounting, which is a positive indicator for the sample compared to the hypotheses and subject of the research.

4- Analysing the Results of the Study and Testing the Hypotheses

Testing the research hypotheses was done by using the five-point Likert scale and the statistical analysis represented by the standard deviation and the arithmetic mean based on the two axes of the questionnaire, in order to test the two research hypotheses, and the special estimated scale of the five-point Likert scale was relied upon as shown in Table N^o. 3 below:

Table N^o. 3 - AN ESTIMATED SCALE ACCORDING TO THE FIVE-POINT LIKERT SCALE

RESPONSE	WEIGHTED AVERAGE	LEVEL
Strongly Disagree	From 1.00 to 1.79	Low
Disagree	From 1.80 to 2.59	
Neutral	From 2.60 to 3.39	Average
Agree	From 3.4 to 4.19	High
Strongly Agree	From 4.20 to 5.00	

First Hypothesis Test:

The first hypothesis states that "forensic accounting does not contribute to the performance of auditors' tasks related to combating fraud and manipulation carried out by companies in their financial statements", where 12 paragraphs were developed for this axis, and the

descriptive analysis of the answers of the research sample was done by arithmetic mean and standard deviation. Table N^o. 4. Below explains the results of the descriptive statistical analysis which was performed to find out the extent to which forensic accounting does not contribute to the performance of auditors' tasks to combat fraud and manipulation carried out by companies in their financial statements:

Table N^o. 4 - ANALYSIS OF OPINIONS EXPRESSED IN RESPONSES TO PARAGRAPHS OF THE QUESTIONNAIRE FOR THE FIRST AXIS

The First Axis: The contribution of forensic accounting in combating fraud and manipulation carried out by companies in their financial statements.				
No.	PARAGRAPH	STANDARD DEVIATION	ARITHMETIC MEAN	DEGREE
1	Forensic accounting has a role in determining the causes of fraud within economic units.	.905	4.00	Agree
2	Familiarity with the accounting and auditing aspects of the work are required from the forensic accountant, as they help in discovering cases of fraud and manipulation in the financial statements.	.638	4.04	Agree
3	Forensic accounting contributes to identifying corruption and fraud cases with high accuracy by employing various techniques.	1.054	2.26	Disagree
4	The possibility of clearly identifying and classifying acts of fraud by the forensic accountant.	1.287	3.26	Neutral
5	The possibility of identifying indicators of fraud by the forensic accountant in the economic units under audit.	.984	3.83	Agree
6	The ability of the forensic accountant to use financial statement analysis techniques as a tool to detect fraud in the economic units under audit.	1.054	3.74	Agree
7	The forensic accountant contributes to estimating the risk of fraud in the economic units under audit.	1.158	3.61	Agree
8	The forensic accountant contributes to fraud prevention activities in the economic units under audit.	.869	3.87	Agree
9	The possibility of the forensic accountant carrying out fraud detection activities in the economic units under audit.	1.163	3.38	Neutral
10	The ability of the forensic accountant to carry out fraud treatment activities in the economic units under audit.	1.154	2.53	Disagree
11	The ability of the forensic accountant to carry out the skills of extracting, collecting, analyzing and organizing evidence and evaluating evidence of proof and denial.	1.270	3.61	Agree
12	The ability of the forensic accountant to carry out the skills of inspecting accounting records of all kinds.	1.237	3.57	Agree
Standard Deviation and Arithmetic Mean		.49423	3.5072	Agree

Table N^o. 4 clearly illustrates that the arithmetic mean and standard deviation of the answers of the research sample on the first axis (the contribution of forensic accounting in combating fraud and manipulation carried out by companies in their financial statements), where the first place was a paragraph (knowledge of the accounting and auditing aspects of the requirements

of the work of the forensic accountant, which helps in discovering cases of fraud and manipulation in the financial statements) with a standard deviation of 0.638 and an arithmetic mean of 4.04 with a degree of agreement, while the last position of the above paragraphs came the ability of the forensic accountant to carry out fraud treatment activities in the economic units in the auditing place with a standard deviation of 1.154 and an arithmetic mean of 2.53 with a degree of disagreement, and the total result of the axis is with a standard deviation of 0.49 and an arithmetic mean of 3.50 with a degree of agreement according to Likert scale. Based on these statistical results, the first hypothesis is rejected, which means that forensic accounting has a role in combating fraud and manipulation carried out by companies in their financial statements.

Second Hypothesis Test:

The second hypothesis states that **"forensic accounting does not contribute to helping auditors face lawsuits brought against them in courts"**, where 9 paragraphs have been developed for this axis, and the descriptive analysis of the answers of the research sample has been done by means of the arithmetic mean and standard deviation, and Table N^o. 5 shows the results of descriptive statistical analysis performed to find out the extent to which forensic accounting does not contribute to helping auditors face lawsuits brought against them in courts:

Table N^o. 5 - ANALYSIS OF OPINIONS EXPRESSED IN RESPONSES TO THE PARAGRAPHS OF THE QUESTIONNAIRE FOR THE SECOND AXIS

The Second Axis: The contribution of forensic accounting in facing lawsuits filed against auditors in courts.				
No.	PARAGRAPH	STANDARD DEVIATION	ARITHMETIC MEAN	DEGREE
1	Forensic accounting contributes to the use of legal materials for lawsuits filed against auditors	.985	3.67	Agree
2	The presence of a qualified forensic accountant who assists in lawsuits brought against the auditor in court.	.651	4.33	Strongly agree
3	The effectiveness of litigation services performed by the forensic accountant contributes to making the right decisions by the competent courts regarding the lawsuits brought against the auditors.	1.154	2.53	Disagree
4	The ability of the forensic accountant to investigate and survey helps to resolve lawsuits in courts as soon as possible.	1.100	3.38	Neutral
5	Forensic accounting contributes to narrowing the gap between judges and auditors to achieve the necessary harmony and reach the highest levels of justice in relation to their legal responsibility towards the client, third party or society.	.900	3.08	Neutral

6	Familiarity with legal aspects such as the penal code, criminal and administrative law etc. are among the requirements for the work of the forensic accountant.	.739	4.00	Agree
7	The judicial accountant's legal procedures related to the lawsuit submitted against the auditor, from the initiation of the case to the summons to the court and the appeal, reinforces the position of the auditors in court.	1.165	3.42	Agree
8	The ability of the forensic accountant to carry out the skills of preparing work papers for investigations in accordance with the professional and legal requirements has a role in winning over the auditors of the lawsuits filed against them.	.985	3.67	Agree
9	Determining the auditors' need for legal experts to provide the necessary legal advice when conducting audits.	.515	4.08	Agree
Standard Deviation and Arithmetic Mean		.43766	3.6296	Agree

It is clear from Table N^o. 5 that the arithmetic mean and standard deviation of the research sample answers on the second axis (the contribution of forensic accounting in facing lawsuits against auditors in courts), where the first place was a paragraph (the presence of a qualified forensic accountant who assists in lawsuits brought against the auditor in court) with a standard deviation of 0.651 and an arithmetic mean of 4.33 with a degree of strong agreement, while the last position for the above paragraphs was stated the effectiveness of litigation services performed by the forensic accountant contributes to making correct decisions by the competent courts regarding lawsuits filed against auditors with a standard deviation of 1.154 and an arithmetic mean of 2.53 with a degree of disagreement.

The total result of the axis is with a standard deviation of 0.43 and an arithmetic mean of 3.62 and with a degree of agreement according to the Likert scale, and based on these statistical results the second hypothesis is rejected, which means that forensic accounting contributes to facing lawsuits against auditors in courts

FOURTH: CONCLUSIONS AND RECOMMENDATIONS

1- CONCLUSIONS:

The research came to the most important conclusions and results that were reached within the research, as follows:

A: Forensic accounting has a role in identifying cases of corruption and fraud within economic units by employing various techniques of accounting and auditing skills, which help the auditor carry out his work, especially with regard to identifying cases of corruption and fraud.

B: The knowledge of the forensic accountant in discovering cases of fraud and manipulation in the financial statements, as well as his possession of the skills of extracting, collecting, analysing and organizing evidence and evaluating evidence of proof and denial, enhance the work of the auditor and help him achieve the best results desired from him.

C: Forensic accounting contributes to narrowing the gap between judges and auditors to achieve the necessary harmony and reach the highest levels of justice regarding the responsibility of the legal auditor towards the client, third party, or society.

D: Familiarity with the forensic accountant in legal aspects (such as the penal code, criminal and administrative law, etc.), as well as with the legal procedures related to the lawsuits filed against the auditor, from the initiation of the case to the summons to the court and the appeal, reinforces the position of the auditors in court.

2- RECOMMENDATIONS:

In light of the conclusions reached in the research above, we recommend the following:

A: Auditing companies and offices need to appoint a person who is familiar with and qualified in forensic accounting to assist in identifying corruption and fraud cases and also in discovering cases of fraud and manipulation in the economic units that are being audited.

B: Assigning a judicial accountant to follow up on the lawsuit filed against the auditors in courts, in addition to the lawyer, is bound to enhance the position of the auditors in court.

C: The need to include forensic accounting within the vocabulary of the study of accounting and auditing in primary and postgraduate studies, and also in qualifying the chartered accountant.

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