



The impact of external auditor competence on the detection of creative accounting practices according to auditing fieldwork standards on the reliability of accounting information

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Abstract

This study examines the impact of external auditor competence in detecting creative accounting practices in compliance with fieldwork standards, and its subsequent effect on the reliability of accounting information. The study population comprised a statistically sufficient number of auditors practicing across all states of the country, selected through random sampling.

The findings demonstrate that auditor competence significantly affects the detection of creative accounting practices when the following elements are present: meticulous planning and control standards, comprehensive understanding of the entity's operating environment, (3) proper audit procedures, objective professional judgment, and auditor qualifications and professional training.

The study recommends emphasizing the crucial role of external auditor competence in identifying creative accounting practices according to international fieldwork standards. This should involve thorough examination and analysis of these standards to verify their capacity to meet international benchmarks, given their demonstrated impact on accounting information reliability from the study sample's perspective.

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1. Introduction

The ethics and practice of accounting and auditing professions have become critically important subjects receiving substantial attention from regional and international organizations. This follows a series of financial crises in numerous corporations, particularly in developed countries, including several high-profile organizational collapses. These events sparked widespread debate about the role of accounting ethics and their impact in precipitating crises. Subsequently, financial statement users raised significant questions about auditing's role in these failures.

Among the critical questions raised about the profession are those concerning why companies failed to detect deceptive practices and managerial manipulation of negative financial events. International auditing standards proved insufficient in uncovering errors, fraud, and intentional/unintentional misrepresentation

A review of financial collapse causes reveals that most stem from administrative and accounting corruption (generally) and financial misconduct (specifically), compounded by management's failure to fulfill its oversight duties. Notably, accounting corruption is partly attributable to external auditors' role in certifying the accuracy of financial statements and their contained accounting information - Contrary to the reality of stakeholder rights erosion and investor confidence collapse .

Consequently, this study examines how external auditor competence affects the detection of creative accounting practices under audit fieldwork standards, addressing the critical audit expectation gap.

•Significance of the study:

This study holds substantial scholarly and practical significance, as financial statements free from misrepresentation and manipulation are fundamental to: – Providing truthful disclosures about entities' fiscal health.

– Preventing institutional collapses caused by reporting failures

– Delivering novel empirical evidence that advances prior research on: Auditor efficacy

Creative accounting detection

Enriching local academic repositories with MENA-region specific data

–Strengthening audit methodologies for identifying earnings management – Supporting regulatory reforms in financial oversight.

•Previous Studies :

In a study conducted by Rabini (2004) aimed at measuring auditors' attitudes toward creative accounting practices and the factors influencing these practices in Britain, it was found that auditors' attitudes toward creative accounting depend on the nature of the method used and management's stance.

Meanwhile, Al-Keilani's (2008) study, titled "The Impact of Creative Accounting on Financial Statements and the Role of Auditors in Reducing It," showed that some corporate managements resort to creative accounting in an attempt to improve their financial position or reported earnings, which in turn boosts their stock prices in the securities market. This is done by exploiting gaps in external auditing methods or taking advantage of the multiple accounting policy alternatives allowed by accounting standards.

Additionally, Desai et al. (2008) emphasized the need to impose penalties on managers who violate generally accepted accounting principles (GAAP), aiming to deprive them of future job opportunities and cast doubt on the financial statements issued by the companies they work for. The study also revealed that some companies engage in sham transactions at the end of the fiscal year, only to reverse them the following year.

I.Methods and Materials:

•Study hypotheses methodology

□Null Hypotheses Formulation

Based on the research questions, the study adopted the following main null hypothesis (H_0) at a 0.05 significance level ($\alpha \leq 0.05$):

H_0 : External auditor competence has no statistically significant effect on:

(a) Detecting creative accounting practices under International Standards on Auditing (ISA) fieldwork requirements, or

(b) Enhancing accounting information credibility.

□Sub-Hypotheses (H_{01} – H_{04}):

1. H_{01} : Meticulous audit planning/supervision (per ISA 300) has no significant effect ($\alpha \leq 0.05$) on exposing creative accounting or improving reporting credibility.

2. H_{02} : Comprehensive understanding of the entity's environment (per ISA 315) has no significant effect ($\alpha \leq 0.05$) on identifying creative accounting practices or ensuring information reliability.

3. H_{03} : Audit procedures and professional objectivity (per ISA 500/200) have no significant effect ($\alpha \leq 0.05$) on detecting accounting manipulation or strengthening credibility.

4. H_{04} : Auditor qualifications/training (per IES 8) have no significant effect ($\alpha \leq 0.05$) on recognizing creative accounting schemes or restoring stakeholder trust.

•Study methodology :

This study adopts an exploratory-descriptive analytical approach to investigate the impact of external auditor competence on Detecting creative accounting practices, and Enhancing accounting information credibility among auditors across multiple Algerian states.

•Study Population and Sample:

☐Target Population:

The study population consists of external auditors working in: - Private audit firms

- Key Algerian state institutions, including: - Algeria Telecom

- Algeria Poste

- Insurance companies

- Banks (e.g., SAA, TRUST)

☐Sampling Methodology :

1-Questionnaire Distribution :

- Total distributed: 360 questionnaires

2- Response Rate & Validation:

- After eliminating incomplete/invalid responses, the final sample comprised 261 valid responses (external auditors).

- Effective response rate: (261/360), which meets the threshold for robust statistical analysis (60% recommended for survey studies).

• Research tools :

➤ Theoretical Framework:

To acquire the data necessary for testing the study's hypotheses and achieving its objectives, the researcher relied on:

- Peer-reviewed articles from accredited journals - Published theses and dissertations

- Reputable online academic databases

- Arabic and English reference books directly related to the study's focus (creative accounting and international auditing standards).

➤ **Empirical Framework:**

A structured questionnaire was developed as the primary data collection tool, comprising two sections:

- **Section 1:** Demographic variables of the study sample (e.g., auditor qualifications, years of experience).
- **Section 2:** Four key variables pertaining to International Standards on Auditing (ISA) fieldwork requirements, operationalized through:
 - 25 Likert-scale items (5-point scale: 1 = Strongly Disagree to 5 = Strongly Agree) - Open-ended declarative statements to capture qualitative insights.

➤ **Statistical Methods Used:**

The data was analyzed and processed using the statistical software package Statistical Package for the Social Sciences (SPSS). The researcher employed a number of descriptive and analytical statistical methods and indicators, suitable for the study's questions and hypothesis testing, available in the aforementioned software, including the following:

- Cronbach's Alpha coefficient to verify the reliability of the measurement tool used.
- Frequency distribution tables to describe the demographic characteristics of the study sample.
- Calculation of arithmetic means and standard deviations to assess the sample's trends regarding the main dimensions of the study as a whole, represented by the four hypotheses mentioned.
- Simple linear regression analysis and T-test .

1. Theoretical Framework:

1.1. The Concept of Creative Accounting :

Creative accounting refers to the manipulation of financial records by accountants to conceal the actual performance of business entities, aiming to produce favorable outcomes for certain stakeholders or employees. Such practices are termed "creative accounting" when they operate within the boundaries of established accounting standards and principles, exploiting their inherent flexibility and optionality rather than violating them outright.

In modern contexts, creative accounting involves innovative techniques devised by highly skilled professionals in accounting, auditing, and taxation. These methods enable the distortion of financial information from its true state to a desired representation by exploiting gaps in accounting principles, financial standards, and fiscal systems.

From this comprehensive definition, we derive the following characteristics : (Mohamed Matar Lagnida Hassan Al-Halabi, 2011, p. 9)

Creative accounting constitutes a form of manipulation and fraud within the accounting profession.

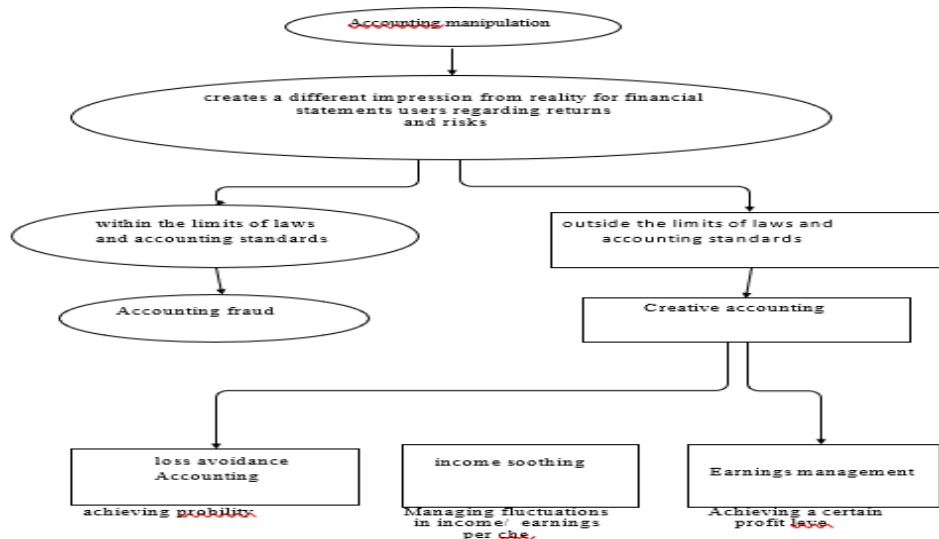
Practitioners of creative accounting typically possess advanced professional expertise, allowing them to alter and present financial values in a preferred manner.

Creative accounting practices operate within the framework of generally accepted accounting principles and standards. These practices are:

- Legal Practices: While some argue that creative accounting should not be classified as an - illegal activity that distorts financial data, citing justifications such as:
- Management does not violate legal rules, whether general or specific to the business. - Management does not breach applicable accounting principles.
- It does not exceed the scope of its authority.

However, in general, creative accounting is a manipulation of financial figures altering reported financial results and financial position by certain amounts at management's discretion. This objective can be achieved through the selection and application of accounting policies or, more broadly, through fraudulent reporting. (Desai H., Hogan C., Wilkins, 2003, p. 20)

Figure 01: forms of accounting manipulation



Prepared by the researchers based on the above-mentioned content

1.1. Motivations for Practicing Creative Accounting:

The factors and motivations behind the use of creative accounting are numerous, with one of the most important being to present the institution's financial position more favorably than it actually is. The management's motivations for using creative accounting are limited to the following points :

(Hassan Faleh - Faris Jameel, 2011, p. 363) Tax Evasion

-Tax Evasion

-Achieving Personal Gains (for the benefit of capital owners)

-Obtaining or Maintaining Financing (from financial institutions)

-Motivations Related to Earnings Reduction

-Influencing the Institution's Stock Price in financial markets

Table 1 : Creative Accounting Methods for manipulating the statement of financial position

Axis	Creative accounting methods
first Axis: Manipulation of fixed Assets figures	• Non-compliance with the historical cost principle in valuing fixed assets • -Unjustified changes to depreciation rates, setting them lower than market standards • Inflating asset values, as seen in WorldCom's practices
Second Axis : Manipulation of Intangible Assets figures	• Overvaluation of intangible assets - Inflating the value of assets such as brands and patents - Using unrealistic assumptions in valuation models (exaggerated discount rates) • Unjustified changes to amortization methods - Modifying amortization periods contrary to economic reality - Switching from straight-line to other methods to reduce expenses • Improper asset recognition -Recording intangible assets that don't meet recognition criteria - Recognizing unpurchased goodwill (in violation of standards)
Third Axis : Manipulation of Current Assets Figures	• Marketable Securities Manipulation : 1. Portfolio valuation manipulation through : -Artificial inflation/deflation of security prices -Improper classification of trading securities 2. Unjustified reductions in: - Allowance for price decline provisions- Impairment reserves • Cash Account Manipulation: 1. Undisclosed restricted cash items 2. Exchange rate manipulation in foreign currency translation 3. Accelerated cash collection without : - Corresponding investment decisions - Proper disclosure of liquidity management policies • Accounts Receivable Manipulation : 1.Improper classification of receivables 2.Non-disclosure of : - Non-performing loans - Doubtful debts requiring provisioning • Inventory Manipulation: 1.Valuation method irregularities : - Unjustified changes to costing methods (FIFO/LIFO) - Artificial inflation of inventory values

	2. Inclusion of : - Obsolete stock in inventory counts - Damaged goods without proper write-downs 3. Operating cash flow inflation through : - Accelerated inventory turnover reporting - Artificial reduction of days inventory outstanding
Fourth Axis : Manipulation of long-term liabilities figures	• Improper classification between current and long-term liabilities, where management intentionally misclassifies short-term payables as long-term debts to improve liquidity ratios. • Strategic refinancing practices where short-term loans are systematically repaid through new long-term borrowing arrangements, creating an artificial appearance of financial stability • The use of additional long-term borrowing to mask underlying financial weaknesses, particularly to compensate for declining stock prices or operational losses, rather than for legitimate business expansion purposes.
fifth Axis : Manipulation of short-term liabilities figures	• Excluding current-year installments of long-term liabilities from current liabilities • Delaying the recording of supplier checks to inflate reported cash balances
Sixth Axis : Manipulation of provisions and reserves Accounts	• Reduction of Existing Provisions - Deliberately decreasing established provisions to cover business obligations - Artificially improving financial position by understating liabilities • Inflating Provisions for Revenue Manipulation - Excessively adding to provisions to artificially reduce reported revenues - Creating "cookie jar reserves" for future earnings management
Seventh Axis : Manipulation of shareholders' Equity figures	• The improper addition of gains realized from prior years to the current year's net profit, rather than correctly reporting them through retained earnings as prior period adjustments.
Eighth Axis : Manipulation of long-term investments figures	• Changing the accounting method applied to long-term investments from the equity method to an alternative approach (e.g., cost or fair value), without proper justification or compliance with accounting standards.
Ninth Axis : Manipulation of contingent Assets figures	• Premature recognition of contingent assets recording potential assets before their realization is confirmed, such as recognizing expected revenue from a pending lawsuit before a final court ruling is issued.

- **Source:** Prepared by the researcher based on:

Ben Abdelaziz Soufiane & Mansouri Houari, The Auditor's Role in Limiting Fraudulent Practices of Creative Accounting, p. 9.

Since the Statement of Financial Position (Balance Sheet)** comprises multiple elements, thematic axes were established each addressing a specific balance sheet item—to present the key creative accounting techniques applied to each element.

- **Income Statement (Profit and Loss Account) :**

The primary methods used to manipulate the profit and loss account through creative accounting can be outlined in the following table:

Table 2 : Creative Accounting methods Applied to the income Statement.

Axis	Creative accounting methods
First Axis : Manipulation of profits and revenues	• Premature Revenue Recognition - Recording revenue too early in the sales cycle before: Goods are shipped/services rendered - Customer payment obligation is confirmed - Violates the revenue recognition principle which requires completion of the performance obligation • Fictitious Revenue Recording - Recognizing non-existent operational income, including : Investment returns classified as operating revenue • One-time capital gains presented as recurring income Asset Sale Manipulation - Artificially inflating profits through : Undervalued asset disposals • Misclassification of capital transactions as operating income Revenue Period Shifting - Transferring current period revenue to future periods when : Current financial performance is strong - Future periods are expected to underperform - Contravenes the accrual accounting principle of period matching
Second Axis : Manipulation of expenses figures	• Period Shifting of Current Expenses - Transferring operating expenses to past or future accounting periods - Violates the matching principle by : - Capitalizing normal operating costs (e.g., routine maintenance) - Extremely slow depreciation of capitalized costs - Failing to write off impaired assets • Deferral of Current Expenses to Future Periods - Used by management during financial difficulties to : -Artificially boost current period profits -Shift financial burdens to expected better future periods - Creates "earnings cliffs" in subsequent reporting periods • Misclassification of Non-Recurring Expenses - Improperly including one-time expenses in Recurring operating expense categories Cost of goods sold - Distorts analysis of core operating performance • Specific Techniques Include: - Recording investment cash inflows (e.g., asset sales) as operating revenue - Delaying recognition of year-end purchase invoices to manipulate : Reported operating cash outflows Working capital Ratios

Analysis: Corporate management manipulates the income statement (profit and loss account) through two key elements: (1) profit and revenue figures, and (2) expense figures. This is achieved by either prematurely recognizing revenue or recording fictitious revenue, while shifting current expenses to past or future accounting periods.

Table 3 : Creative Accounting methods for manipulating the cash flow statement

Axis	Creative Accounting methods
First Axis : Manipulation of cash flow classification	- It is possible to manipulate the classification of operating, investing, and financing cash flows, as the categorization of cash flow items under each of the three groups may vary across countries. This is because Accounting Standard No. (7) allows alternatives regarding the classification of interest paid and received, investment returns, and cash dividend distributions. Examples of such manipulation include: - Classifying operating cash flows as investing or financing flows, and vice versa. - Classifying capital development costs as outgoing investing cash flows. - Classifying cash amounts obtained through bank facilities as operating cash flows.
Second Axis : Cash flows from discontinued activities	- Treating inflows and outflows from non-recurring activities as cash flows from continuing operating activities, whereby companies classify cash inflows as ongoing operating cash flows, while cash outflows with a negative impact are classified as cash flows from discontinued activities. Examples of such practices include : - Recording non-recurring cash flows under operating activities without any disclosures clarifying their non-continuous nature. - Classifying cash proceeds from legal settlements as operating cash flows
Third Axis : the choice between the direct and indirect method	- The choice between the direct method and the indirect method when preparing cash flows from operating activities does not affect the final net cash flow figure, but it does impact the ability of financial statement users to understand the entity's financial performance. - Using the indirect method to calculate net operating cash flows may obscure the actual cash effects of operating activities. - Meanwhile, failing to disclose the cash impact of investing and financing activities when applying the direct method can reduce transparency in financial reporting
Fourth Axis : Accounting policy manipulation and creative accounting techniques employed to artificially inflate/deflate operating cash flows	- This involves exploiting the flexibility and optionality within generally accepted accounting principles (GAAP) without technically violating them. The inherent flexibility in accounting methods creates opportunities for manipulation, presenting a misleading picture of the entity's financial condition. Examples include: - Making unjustified changes to depreciation or amortization methods. - Extending the payment period for expenses to artificially boost operating cash flows. Such practices distort financial reporting while remaining within the boundaries of accounting standards.

- **Source:** Prepared by the student based on Maisaa Mohammed Saad Abu Tamam, previous reference, pp. 60-65.

Manipulation of the cash flow statement (statement of cash flows) occurs either through :

1. Misclassification of cash flows,
2. Inclusion of cash flows from discontinued activities,
3. Exploitation of the choice between the direct and indirect method, or

4. Manipulation of accounting policies and creative accounting procedures designed to distort operating cash flows.

1.3 Creative Accounting practices in the statement of changes in Equity

The most prominent methods of creative accounting applied to the statement of changes in equity can be summarized as follows :

- Recognizing revaluation surpluses under equity to artificially inflate shareholders' equity value.
 - Adding realized gains from previous years to current-year net profit instead of correctly reporting them as retained earnings.
 - Recording gains/losses from foreign currency transactions directly in equity (e.g., in the foreign currency translation reserve) rather than in the income statement—even when they relate to operating activities.
 - Artificially increasing or decreasing share capital or retained earnings through retrospective corrections of prior-period errors, exploiting restatements to manipulate equity balances.
 - Failing to disclose doubtful or written-off receivables, leading to overstated profits, current assets, and equity.
 - Distributing cash dividends funded by:
 - Asset revaluation reserves (unrealized book gains), or
 - Non-recurring/exceptional profits,
- Contrary to the principle that dividends should only be paid from current or accumulated realized earnings. (Source: Naim Tuman Marhoon Al-Ziyadi, 2015, p. 202)

2. The theoretical Aspect of External Auditing

2.1 The Concept of External Auditing

External auditing is a systematic process of obtaining evidence and indicators related to the economic activities carried out by an organization. It follows a structured methodology and employs effective tools to reach an objective opinion on the reliability of financial statements. Thus, it can be said that the role of external auditing is a critical examination conducted by a qualified professional to verify the accuracy of an organization's accounts and to provide an independent, impartial, and truthful technical opinion regarding the integrity and correctness of the financial statements, the internal control system, the risk management system, and other organizational systems and top-level decisions.

objectives of external Auditing :

The primary objective of this task is to provide a technical and objective opinion on whether the financial statements accurately reflect the true financial position of the organization, in addition to detecting fraud and manipulation by achieving the following goals: (Zahri Jalila, 2016, p. 56)

Verification of assets.

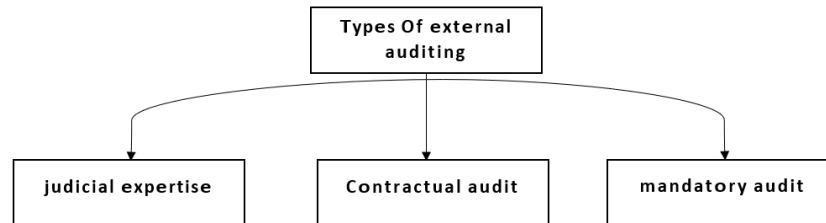
Confirmation of ownership and valuation. Assessment of the reliability of financial transactions. Ensuring the accuracy of accounting disclosures.

What External Auditing Achieves:

✓Assists management in decision-making and strategy formulation. ✓Facilitates tax authorities' work in determining tax liabilities.

- ✓ Monitors management's execution of plans, identifying deviations and corrective measures.
- ✓ Evaluates achieved results compared to prior plans.
- ✓ Enhances productive efficiency through sound management of all organizational activities.

2.2 figure:



2.3 Generally accepted auditing standards :

2.3.1-fieldwork standards :

The standards focus on providing a set of guidelines that auditors must follow when conducting an audit. It is worth noting that these standards are more detailed than the general standards. Fieldwork standards consist of three fundamental criteria, which include: (Khalid Al-Khatib, Al-Raqqi Guide, 2009, pp. 12–16)

1- Proper Planning, Supervision, and Delegation to Assistants :

The sole and primary objective of this task is to conduct a thorough and proper audit, not merely to complete and execute the audit program. To achieve this standard, the following activities must be carried out :

- ✓ Developing a sound work plan while understanding the audit environment in which the auditor operates.
- ✓ Assigning assistants to specific audit tasks.
- ✓ Supervising the work of assistants and evaluating their findings.

2- Evaluating the Internal Control System :

This is because an effective and well-functioning internal control system produces reliable financial information. Based on a proper assessment of the system, the auditor can form an opinion on the credibility of the company's financial statements.

3- Gathering Sufficient and Appropriate Audit Evidence :

The auditor must collect sufficient evidence to provide a reasonable basis for their opinion on the financial statements. This evidence serves as a logical and sound foundation for the auditor's judgments regarding the truthfulness and fairness of the financial information.

2-3-2- General (personal) standards :

These pertain to the personal qualifications of the auditor and include:

- 1) Professional Competence : The auditor must possess expertise in accounting, finance, and taxation to effectively perform their duties.
- 2) Independence : This ensures the auditor's integrity, honesty, and objectivity in carrying out their responsibilities.

3) Due Professional Care: This involves the auditor's prudence, diligence, and adherence to applicable laws and regulations. It also includes anticipating potential risks, detecting errors, and identifying fraudulent practices.

3-2-3 Reporting Standards :

The external auditor's final report represents the end product of the audit process, providing assurance to financial statement users. It is based on four key standards (Mohamed Samir Mohamed Mostafa, 2005, p. 166)

1- Opinion on Compliance with GAAP : The auditor must state whether the financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP).

2- Consistency in Accounting Principles : The auditor must assess whether GAAP has been consistently applied across financial periods.

3- Adequate Financial Disclosure : The financial statements must provide sufficient information, properly categorized and classified.

4- Comprehensive Auditor's Report (Unified Opinion) : The report must cover all financial statements and address any issues or elements that influenced the auditor's professional and objective opinion (or disclaimer thereof).

1. Practical aspect:

3.1 what distinguishes this study :

The current study stands out from prior research in that most previous studies aimed to examine the nature

of creative accounting practices and their degree of influence within ethical considerations. Creative accounting practices have a significant impact on the reliability of financial statements and the trustworthiness of financial data reported by organizations.

In contrast, this study seeks to clarify the aspects related to the role of external auditor efficiency in detecting creative accounting practices based on fieldwork auditing standards and its effect on the credibility of accounting information, from the perspective of practicing auditors across multiple regions of the country.

Table 1 : Reliability of the study instrument

variable	Cronbach's Alpha
planning and careful supervision	0.78
Adequate understanding of company work environment	0.74
Audit procedures and objective opinion	0.81
Auditor qualification and professional training	0.79

The study employed Cronbach's alpha coefficient to assess the reliability of the measurement scale. As evident from Table (1), the alpha coefficient values ranged between 0.74 and 0.81. All these values are acceptable and appropriate for the purposes of the current study."

III. Descriptive statistical Results

1. Characteristics of external auditors Sample

Table 1 : Demographic characteristics of external Auditors Sample

variable	Category	Frequency	Percentage
Academic Qualifications	Master's	40	8%
	Bachelor's	178	74%
	Magister	43	18%
Field of Specialization	Accounting	249	95%
	Other	12	5%
Legal certification	Algerian certificate	154	59%
	Forgein certificate	37	14%
	Dual certification Algerian +forgein	70	27%
Years of experience	Less than 5 years	136	52%
	From 5 to 10 years	68	26%
	From 10 to 15	36	14%
	From 15 to 20	21	8%
Gender	Male	232	89%
	Female	29	11%

As shown in Table 2, the demographic analysis reveals that 92% of the study sample hold either a Bachelor's (License) or Master's degree, indicating strong academic qualifications. These characteristics confirm that participants possess sufficient qualifications, specializations, and experience to comprehend the study's questions, recognize their significance, and provide meaningful responses – making their opinions statistically significant.

To examine the impact of external auditors' competence in detecting creative accounting practices under international fieldwork auditing standards and its effect on accounting information reliability, Table 2 further shows that 95% of the sample specialize in accounting, reinforcing their capacity to address the study's queries effectively.

Key findings also highlight that:

- The majority hold the Algerian legal certification (Agrément). - There is low female representation in the field.
- Experience distribution follows:
 - <5 years: 52% (highest proportion) - 5–10 years: 26%
 - 10–15 years: 14% - 15–20 years: 8%

This trend suggests that after obtaining professional certification and experience, auditors often seek alternative career opportunities beyond audit firms.

2. Analysis Results and hypothesis testing

First hypothesis (H01):

Table 2 : Means and standard deviations for hypothesis 1

Item No.	statement	Mean	Std. deviation	rank
1	Emphasis on using advanced technical tools and modern methods during audit planning and procedure design	0079.3	0.7978	5
2	Adherence to clear and precise strategies for planning each audit task individually	1278.3	0.7867	6
3	Conducting a comprehensive survey of the auditee entity prior to fieldwork planning to identify audit scopes and gather planning data	0509.3	0.7337	1
4	Regular review of updates, directives, and amendments issued by professional regulatory bodies	6758.3	0.8887	2
5	Auditor's commitment to developing clear and precise work plans and supervising team members	3.8600	0.568	3
6	Employing optimal methods to ensure both quality and timely task completion	0.25083	0.73580	4
overall Mean		3.8381	0.8143	

The analysis revealed a mean score of (3.8381) with a standard deviation of (0.8143) , Responses from the study sample ranged between values, with the highest agreement score (3.9050) recorded for Item 3: "Conducting a comprehensive pre-audit survey of entities to identify audit scopes and gather planning data for fieldwork execution

."Conversely, Item 2 received the lowest mean score (3.7812): "Adherence to clear and precise strategies for planning each audit task individually."These results support the acceptance of hypothesis H01.

To further validate these findings, a simple linear regression was conducted. Table (3) presents the results testing the hypothesis:

Table (3) Simple Regression Analysis Results Impact of Auditors' Rigorous Planning & Supervision on Detecting Creative Accounting Practices and Accounting Information Reliability.

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std.Error	Beta		
Constant	-0.069	0.096		-0.719	0.473
rigorous Planning and supervision	0.942	0.023	0.879	40.508	.0000

R = 0.897 R² = 0.805

The data presented in Table 3 reveal that the calculated t-value for this hypothesis reached 40.508, which exceeds the critical t-value of 1.645. According to the decision rule:

- Null hypothesis (H₀) is rejected when the calculated t-value > critical t-value. - Alternative hypothesis (H₁) is accepted, confirming:

"There is a statistically significant effect (at $\alpha \leq 0.05$) of auditors' rigorous planning and supervision on detecting creative accounting practices and its impact on accounting information reliability." This conclusion is further supported by the significance value (p) of 0.000, which is below the 5% threshold ($p < 0.05$).

Second hypothesis (H02) :

Table 4 : Means and standard deviations for hypothesis

Item No.	statement	Mean	Std. deviation	rank
7	Conducting strategic analysis of the auditee to develop comprehensive understanding of their industrial environment	059.3	6280	4
8	Diversifying methods for evaluating internal control systems (avoiding reliance on single method) to leverage multiple advantages while mitigating limitations	178.3	0.793	6
9	Encouraging auditors to adopt technological tools and modern techniques to better understand and assess client's internal control systems	9204	0.816	1
10	Utilizing decision tables (graphical decision-making tools) to document and understand internal controls by identifying key required characteristics	528.3	8250	5
11	Periodic evaluation of IT risks and assessing their impact on internal control systems	1204	397	2
12	Auditor's capability to analyze financial data to verify compliance with applicable accounting standards	109.3	179	3
overall Mean		3.931	0.804	

The analysis revealed a mean score of 3.931 with a standard deviation of 0.804. Among the survey items, Item 9 received the highest agreement score (4.092), stating "Encouraging auditors to employ technical tools and modern auditing techniques enhances their ability to understand and evaluate the client's internal control system." Conversely, (Item 8) recorded the lowest mean score (3.7812), which states: "Diversifying methods for assessing internal control systems (avoiding over-reliance on a single approach) leverages the advantages of multiple techniques while

mitigating their individual limitations, thereby ensuring accurate evaluation of the system's effectiveness in audited entities."

These results support the acceptance of hypothesis H02, confirming the importance of diversified evaluation methods in auditing practice

Table 5: Simple Regression Analysis of the Impact of Adequate Client Work Environment Understanding by Auditors on Detecting Creative Accounting Practices and Its Effect on Accounting Information Reliability

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std.Error	Beta		
Constant	-0.063	0.109		-0.581	0.562
rigorous Planning and supervision	0.919	0.026	0.8720	35.482	.0000

R= 0.872 R²= 0.760

The data in Table (5) indicate a calculated t-value of (35.482) , which exceeds the critical t-value of 1.645. According to the decision rule: The null hypothesis (H₀) is rejected when the calculated t-value > critical t-value The alternative hypothesis (H₁) is accepted, confirming: "There exists a statistically significant effect (at $\alpha \leq 0.05$) of auditors' adequate understanding of the client's work environment on both (1) detecting creative accounting practices and (2) the reliability of accounting information." This conclusion is further supported by the significance value (p = 0.000), which is below the 5% threshold (p < 0.05).

Hypothesis H03:

Table 6 : Means and Standard Deviations for Hypothesis 3

Item No.	statement	Mean	Std. deviation	rank
13	Using computer-assisted audit techniques (CAATs) to enhance transaction tracing capabilities	3.9500	0.8796	3
14	Establishing precise policies/procedures post-internal control evaluation to ensure hiring of qualified personnel with required professional competencies mitigating limitations		0.8481	1
15	Adopting client industry specialization strategies to improve risk assessment accuracy and audit planning decisions against fraud cases	4.0675	0.8152	2
16	Requiring auditors to obtain written management representations on material financial statement matters	3.8975	0.8969	4
overall Mean		4.009	0.859	

The analysis revealed a mean score of (4.009) with a standard deviation of 0.859. Among the evaluated items. (Item 14) received the highest agreement score (4.1225), stating: "Implementing

precise policies and procedures following internal control system evaluation to ensure the appointment of qualified personnel possessing the necessary professional and practical competencies." Item (16) recorded the lowest mean score (3.8975), stating: "Requiring auditors to obtain written representations from management regarding material financial statement matters." These results support the acceptance of hypothesis H03, confirming the significance of rigorous post-evaluation protocols in auditing practice.

As further substantiated by simple regression analysis, Table (7) presents the statistical outcomes of this hypothesis test

Table 7 : Simple Regression Analysis Results – The Impact of Audit Procedures and Objective Auditor Judgment on Detecting Creative Accounting Practices and Accounting Information Reliability

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
Constant	-0.201	0.102		-1.967	0.050
rigorous Planning and supervision	0.968	0.025	0.892	39.278	.0000

R= 0.892 R²= 0.795

The results presented in Table 7 show that the calculated t-value for this hypothesis reached 39.278, which is significantly higher than the critical t-value of 1.645. According to the decision rule, when the calculated t-value exceeds the critical t-value, we reject the null hypothesis. Consequently, we accept the alternative hypothesis, which states that "there exists a statistically significant effect at the 0.05 significance level for both audit procedures and the objective judgment of auditors in detecting creative accounting practices and ensuring the reliability of accounting information." This conclusion is further supported by the significance value (Sig.) of 0.000, which is well below the 5% threshold.

Hypothesis H04 :

Table 8 : Means and Standard Deviations for Hypothesis Four (H04)

Item No.	statement	Mean	Std. deviation	rank
17	Encouraging auditors to pursue professional certifications and continuously update their expertise, as evidence of professional competence	7758.3	0.7455	2
18	Ensuring auditors possess appropriate technical skills, professional competence, and cognitive abilities required for effective auditing	0259.3	0.8534	1
19	Linking promotions and incentives to auditors' commitment to developing their professional knowledge and capabilities	5258.3		4
20	Promoting partnerships with international audit firms to exchange knowledge and adopt advanced auditing methodologies	2586.3	0.8251	3
overall Mean		3.873	0.7673	

The results indicate a mean score of (3.873) with a standard deviation of 0.7673. Key findings include:

Item 18 received the highest agreement (3.9025), stating: "Possession of appropriate professional competence, technical skills, and cognitive abilities essential for qualified and experienced auditors." Item 19 recorded the lowest score (3.8525), stating: "Linking incentives and promotions to auditors' commitment to developing their professional knowledge and competencies."

These outcomes support the acceptance of hypothesis H04**, confirming the importance of auditor competency frameworks and incentive alignment in audit quality.

Table 9 : Results of Simple Regression Analysis on the Impact of Auditor Qualification and Professional Training on Detecting Creative Accounting Practices and Accounting Information Reliability

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
Constant	-0.539	0.12		-4.475	.0000
rigorous Planning and supervision	1.012	0.028	0.875	39.000	.0000

The results presented in Table 9 show that the calculated t-value for this hypothesis reached 36.000, which is significantly higher than the critical t-value of 1.645. According to the decision rule, when the calculated t-value exceeds the critical t-value, the null hypothesis is rejected. Consequently, we accept the alternative hypothesis, which states that "there exists a statistically significant effect at the 0.05 significance level for both auditor qualifications and professional training in (1) detecting creative accounting practices and (2) enhancing accounting information reliability." This conclusion is strongly supported by the significance value (Sig.) of 0.000, which is well below the 5% threshold.

Table 10 : Means and Standard Deviations for the Dependent Variable: Accounting Information Reliability

Item No.	statement	Mean	Std. deviation	rank
21	Relevance of accounting information to decision-makers' and users' needs	3.744	613	
22	Inclusion of information characterized by truthful representation of reported phenomena	2283	760	
23	Predictive capacity of information to facilitate future planning and policy formulation	1813	663	
24	Financial reports' ability to provide sufficient and relevant information for sound decision-making	693.7	672	
25	Comparability of financial report information to enhance analysis, forecasting, and decision-making	3.810	735	
overall Mean		3.794	0.688	

The analysis shows an arithmetic mean of (3.794) with a standard deviation of (0.688). The study sample responses ranged between values, with the highest score of (3.822) for the item stating

"faithful representation of information and the phenomena it purports to represent." The lowest score was (3.744) for the item stating "the information contained in financial statements meets users' needs."

IV. Conclusions:

The study's results indicate a significant impact of the external auditor's role in detecting creative accounting practices in accordance with international fieldwork standards and its effect on the reliability of accounting information, based on the study sample's perspective. The findings highlight: The importance of implementing clear and precise strategies for planning each audit task individually, including establishing a timeline for task completion, The necessity of focusing on using advanced technical tools and modern methods during the planning phase and when determining audit procedures, The critical need for optimal and effective methods to ensure both quality and timely task completion through appropriate supervision from initial planning through to final review and reporting, The requirement for continuous monitoring of bulletins, instructions, and amendments issued by professional regulatory bodies.

The results also demonstrate the importance of diversifying the methods used to study and evaluate internal control systems, avoiding reliance on a single approach. This diversification allows auditors to benefit from various methods' advantages while minimizing their limitations, thereby ensuring accurate assessment of the effectiveness of internal control systems in audited entities.

The study's findings further emphasize the importance of auditors possessing appropriate professional competence, technical skills, and cognitive abilities essential for qualified and experienced practitioners.

The results also highlight the value of fostering partnerships with international audit firms to facilitate knowledge exchange and implement advanced auditing methodologies. Moreover, the study underscores the critical need for accounting information to faithfully represent reported phenomena while ensuring qualitative characteristics specified in the accounting system align with International Accounting Standards.

Additionally, the findings stress the necessity of verifiable and reliable information that stakeholders can depend upon for decision-making purposes.

V. Recommendation:

The researcher emphasizes the crucial role of external auditors in detecting creative accounting practices in accordance with international fieldwork standards. This requires a thorough examination and analysis of these standards to verify their alignment with international benchmarks, given their significant impact on the reliability of accounting information from the study sample's perspective. The following mechanisms should be implemented:

1. Conducting a comprehensive survey of the entity to be audited prior to developing the fieldwork implementation plan, to identify key audit areas requiring focused attention.
2. Actively encouraging and motivating auditors to obtain professional certifications as evidence of their professional competence to practice.
3. Performing strategic analysis of the audit client to gain complete understanding of their industrial environment before commencing the audit process.
4. Emphasizing the use of information technology to design a precise system that clearly outlines risk assessment and detailed audit programs, while specifying tasks and responsibilities for each audit team member.
5. Ensuring auditors exercise enhanced professional care to obtain sufficient and appropriate evidence justifying their opinion on financial reports.
6. Urging auditors to develop clear and accurate plans regarding the nature and extent of guidance and supervision for team members, including review of their work.
7. Adopting professional examination strategies specific to the client's industry, enabling external auditors to properly assess risk levels and address potential financial fraud cases.
8. Mandating frequent visits and unannounced periodic inspections of audited companies to identify management errors, uncover operational challenges, and determine appropriate solutions.

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