



# THE ROLE OF INTERNAL DIGITAL AUDIT PROCEDURES IN REDUCING CREATIVE ACCOUNTING USED FOR FINANCIAL FRAUD IN COMMERCIAL BANKS IN BAGHDAD GOVERNORATE

**Yas Khudhair Abbas**

AL -Furat AL -Awsat Technical University, Technical Institute of Dewaniya, Iraq, [dw.yas@atu.edu.iq](mailto:dw.yas@atu.edu.iq)

Article history:	Abstract:
<p><b>Received:</b> 28<sup>th</sup> May 2024 <b>Accepted:</b> 26<sup>th</sup> June 2024</p>	<p>The purpose of the current research is to reveal the role of internal digital audit procedures represented in (planning the audit process, assessing risks, examining and evaluating the internal control system, and implementing analytical procedures for information) to reduce creative accounting used for financial fraud by (motives for using creative accounting, creative accounting practices, and mechanisms for detecting creative accounting) among a sample of accountants in Iraqi commercial banks. In order to address the research problem of what is the role of internal digital audit procedures in reducing creative accounting used for financial fraud in commercial banks in the province of Baghdad, The research resorted to the use of the questionnaire tool in order to measure the level of availability of research variables in commercial banks, and on the basis of that was the use of a sample of (109) accountant, and to analyze the research data, two packages were used to come up with accurate results represented in (SPSS&amp;AMOS). V.28), has included statistical methods in (arithmetic mean, standard deviation, deviation coefficient, Cronbach alpha stability coefficient, correlation coefficient, and regression coefficient) The research came out with several results, foremost of which was that the use of internal digital audit procedures in commercial banks contributes to reducing financial fraud used in creative accounting, which provides effective tools to detect manipulation and forgery in financial data and statements.</p>

**Keywords:** Internal digital auditing, creative accounting, commercial banking.

## INTRODUCTION

In recent years, the world has witnessed a revolution in information technology, which has led to an increase in the number of computer users in various activities. All sectors in their various activities have witnessed many developments and clear changes during the past years in several aspects, including the economic and technological aspect, as technology has become an essential part of professional and institutional work, which required the auditing profession to keep pace with these developments and changes. With the advent of electronic systems and their use in the accounting field to process financial statements automatically, the use of one or more computers in the processing of financial statements has become an electronic accounting information system (Barzan, 2015).

Digital transformation has become one of the most important strategies that institutions seek to achieve and develop in their field, and to benefit from its benefits that accrue to sectors of society, including customers, the public, institutions, companies and the government as well (Mohamed Hashim et al., 2022). Digital transformation is a processed performance pattern that enables individuals and institutions to continue to practice tasks and activities and achieve goals according to future strategies with the lowest efforts and the lowest costs, including technical transformations based on information and communication technology (Kraus et al., 2021). Digital transformation is considered a change in the work methodology of institutions by applying the so-called digital technology, where a radical change occurs in work procedures and policies to ensure that the beneficiary group is served quickly and with high quality (Dąbrowska et al., 2022). Digital transformation has an important impact and role in the accounting environment and the role of internal audit for business establishments, which is considered the backbone of the continuity and progress of institutions (Erişen& Erer, 2023), as internal audit is an important tool that is relied upon in organizing movement towards paths determined by departments to achieve their goals (Hazaea et al., 2023).

Internal digital auditing plays a key role in reducing creative accounting as it represents a function performed by a specific organization that is independent of the audited functions, whose task is to examine and evaluate all financial



and administrative operations, as they are ensured that they are completed according to the plans and policies drawn up, and to issue recommendations and suggestions to increase the effectiveness of the organization (RashwanAbu Araba, 2022).

Hence, the current study came to highlight that digital transformation has become widespread and accelerated significantly, as digital transformation has been imposed on most professional fields, which are developing in parallel with the developments of the surrounding environment such as accounting and auditing. As a result of the huge technological development, accelerated digital transformation and electronic maturity with high levels of quality, accuracy and effectiveness, in addition to the rapid digital transformations brought about by the Fourth Industrial Revolution, institutions have complicated the mechanisms for achieving their goals, which led to the direction of institutions and organizations to expand their work and achieve their goals using the technologies accompanying the Fourth Industrial Revolution quickly and accurately and by switching to electronic transactions, and as a solution to the pressures and difficulties represented in the high costs of the audit task in addition to the lack of financial and human resources or the absence of Competencies, which in turn negatively affect the quality of internal audit, on the other hand, the use of modern technology in audits saves time and great effort in business performance, Therefore, moving towards digitization is a vital factor in facing the challenges that result from carrying out tasks and responsibilities manually, especially in light of these developments. Due to the inclusion of technology in all life roles, this has forced the internal audit sector to work strongly to meet any challenges posed by digital transformation to the internal audit function and what affects the quality of the profession.

## **PART ONE: RESEARCH METHODOLOGY**

### **First: Research Problem**

In light of the modern and accelerated technical developments in the transition to digitization in internal auditing processes, most institutions and companies have witnessed during the last decade that traditional internal auditing does not contribute to addressing creative accounting practices, which requires a new shift in the use of internal digital auditing because of its advanced role to detect creative accounting practices used in financial fraud. In addition to the fact that these practices still pose significant threats to the integrity and validity of financial reports, which prompted most institutions and companies to use internal digital auditing to address the gaps practiced by creative accounting in accounting standards and accounting techniques and mislead users of these financial reports about the financial situation of the company, and as a result centered on a problem for companies that can be formulated with an important question (Is there a role for internal digital audit procedures in reducing creative accounting used for financial fraud in banks? Commercial in the province of Baghdad?), Several important questions can be formulated from this question:

1. What is the role of using internal digital auditing in reducing the motivations of creative accounting used for financial fraud in commercial banks?
2. What is the role of using internal digital auditing in reducing creative accounting practices used for financial fraud in commercial banks?
3. What is the role of using internal digital auditing in improving the mechanisms for detecting creative accounting used for financial fraud in commercial banks?

### **Second: The importance of research**

The theoretical importance of the research is to give a cognitive character about the importance of using the computer in the internal audit of the research sample units, by ensuring the need to use internal digital auditing in reducing creative accounting used for financial fraud, in addition to covering the aspects that previous studies focused on in providing a set of mechanisms and proposals to address these practices.

As for the scientific importance of the research, it is centered on identifying the aspects of benefit that this topic can add in the event that the surveyed banks take the results and recommendations of the research, as well as expanding the implementation of digital transactions that are in line with contemporary technologies to ensure the continuity, growth and survival of these banks in the business environment.

### **Third: The Objectives of research**

The current research aims to achieve the following:

1. Identify the role of using internal digital auditing in reducing the motives of creative accounting used for financial fraud in commercial banks.
2. Identify the role of using internal digital auditing in reducing creative accounting practices used for financial fraud in commercial banks.
3. Measuring the role of using internal digital auditing in improving the mechanisms of detecting creative accounting used for financial fraud in commercial banks.

**Fourth: Hypothetical research model**

Identifying and studying the research problem, building research objectives and determining the importance it provides, it requires building a conceptual scheme for the hypothetical research model to determine the variables and hypotheses through which this problem can be addressed, and Figure (1) shows the hypothetical research model, as follows:

**Independent variable:** represents the internal digital audit, with four dimensions (planning audit process, risks assessing, examining and evaluating internal control system, implementing of information analytical procedures).

**Dependent variable:** Creative accounting is included, and by three dimensions (motives for using creative accounting, creative accounting practices, mechanisms for detecting creative accounting).

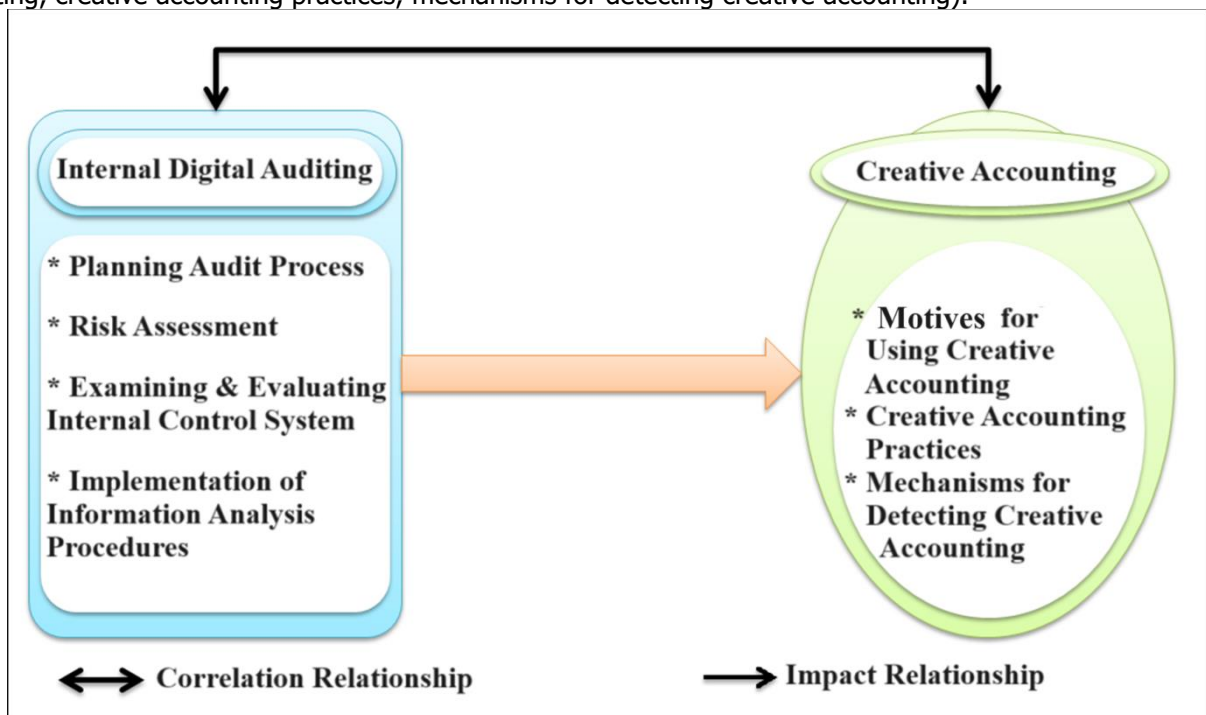


Figure (1) Hypothetical Research Model

**Source:** Prepared by the researcher.

**Fourth: Research Hypotheses**

From Figure (1) two hypotheses can be developed:

**H1: There is a significant correlation between internal digital auditing and creative accounting, and its branches:**

1. There is a significant correlation between auditing planning and creative accounting in its dimensions (motives for using creative accounting, creative accounting practices, and mechanisms for detecting creative accounting).
2. There is a significant correlation between risk assessment and creative accounting in its dimensions (motives for using creative accounting, creative accounting practices, and mechanisms for detecting creative accounting).
3. There is a significant correlation between the examination and evaluation of the internal control system and creative accounting in its dimensions (motives for using creative accounting, creative accounting practices, and mechanisms for detecting creative accounting).
4. There is a significant correlation between the implementation of analytical procedures for information and creative accounting in its dimensions (motives for using creative accounting, creative accounting practices, and mechanisms for detecting creative accounting).

**H2: There is a significant impact of internal digital auditing in creative accounting, and its branches:**

1. There is a significant impact of planning the audit process in creative accounting in its dimensions (motives for using creative accounting, creative accounting practices, and mechanisms for detecting creative accounting).
2. There is a significant impact of risk assessment in creative accounting in its dimensions (motives for using creative accounting, creative accounting practices, and mechanisms for detecting creative accounting).
3. There is a significant impact of examining and evaluating the internal control system in creative accounting in its dimensions (motives for using creative accounting, creative accounting practices, and mechanisms for detecting creative accounting).



4. There is a significant impact of the implementation of analytical procedures for information in creative accounting in its dimensions (motives for using creative accounting, creative accounting practices, and mechanisms for detecting creative accounting).

#### **Fifth: Research Sample**

The research community in the Iraqi commercial banks in the province of Baghdad was represented by (Assyria International Bank, Iraqi Bank of Trade, National Bank of Iraq, and North Bank for Finance and Investment), while the research sample included accountants in Iraqi commercial banks, as it was distributed (150) questionnaire, of which (119) questionnaire was retrieved, by (10) damaged, and (109) questionnaire valid for analysis.

## **PART TWO: THEORETICAL FRAMEWORK**

### **First: Internal Digital Audit**

#### **1. The Concept of Internal Digital Audit**

Internal digital auditing is a method that relies on systems, technologies and electronic information technology to process accounting data, and ensure the correctness and accuracy of its entry, processing and reporting, which supports the internal audit function in control and risk management of financial operations (Adeyemi et al.,2014), internal digital auditing according to (Abdul Majid& Miliana,2015) represents the use of computers and application programs specialized in the field of auditing, and depends mainly on the availability of electronic accounting systems and their availability in databases Which are considered inputs to the electronic systems of the audit process. stated that (Salem& Qanz,2020) internal digital auditing refers to the digital implementation of systems by adopting digital technology for accounting information to support the auditor in developing plans for control work and documenting them through collecting evidence and evaluating work using computers, which contributes to protecting the company's assets and data and contributes effectively to achieving its goals.

Defines (Al Thani,2023) internal digital audit as automating all the processes of the internal audit department and linking its work to the departments electronically, which contributes to the completion of internal audit work effectively and the issuance of electronic reports that can be tracked easily and easily. believe that (Yakhlef & Tarshi,2020) internal digital auditing is the process of implementing audit systems using information technologies. This means moving from manual to electronic operation, with the aim of completing the audit process efficiently, effectively and as quickly as possible, and achieving the objectives of the audit, including expressing an opinion on the fairness of the financial statements.

From the above, it can be said that internal digital audit is the process of using modern technology in order to ensure the accuracy of the processed financial statements and the reports issued by them.

#### **2. The Importance of Internal Digital Audit**

The importance of internal digital audit is highlighted in a number of important points:

- a. Using information technology systems to assist the auditor in planning, auditing, controlling and documenting these processes (Al-Matarna, 2011).
- b. Organize movement towards paths defined by administrations to achieve their objectives (Hazaea et al., 2023)
- c. Assist the auditor in planning, controlling and documenting audit work.
- d. Use of information technology in the audit process.
- e. Collect and evaluate information to determine whether computer use contributes to the protection of the organization's assets.
- f. Emphasize data integrity and achieve goals effectively through efficient use of resources.
- g. Allows reviewers to provide a certain degree of certainty of consistent and consistent information within a short period of disclosure (Khalisa & Shaima, 2024).

#### **3. Dimensions of Internal Digital Audit**

Internal digital audit can be measured through four important dimensions (Abu Awwad & Almatarneh, 2023):

- a. **Planning audit process:** By understanding the accounting system and the internal control system to be able to plan the audit process and develop an effective perception of how to accomplish it, and in the case of planning part of the audit process that may be affected by the computerized information systems environment (Naima & Nasira, 2023), the auditor must obtain an understanding of the importance and complexity of the activities of computerized information systems and that information is available for use in the audit process and includes the auditor's understanding of those systems (Barzan, 2015).





b. **Risk assessment:** Internal digital auditing plays an important role in assessing risks in various business sectors, governments and the economy, because of its potential to influence the decisions of investors and financial organizations and develop systems and laws governing the work environment (Al-Dulaimi, 2024).

c. Examination and evaluation of the internal control system: The level of evaluation of the internal control system of the financier is the second level of performance levels related to the planning of the examination process, as the study and evaluation of the internal control system is a technical necessity to serve the tax administration, the service of the examiner, and reduce the difficulties that the tax examiner may face in his work, because it is the basis on which the tax examiner relies in preparing the examination program, and in determining the amount of tests that he will perform, In order to raise the level of quality of tax examination, the tax examiner must examine the internal control system in general, as well as examine the subsystems of the internal control system applied by the entity in all aspects such as examining the internal control system on revenues, costs and expenses, verifying the inventory of stores, and verifying the existence of the book group (Al-Naghi et al., 2023).

d. Implementation of information analytical procedures: It is the identification of a set of digital activities and mechanisms used by accountants and internal auditors to detect and analyze data financially and operationally for the company (Pizzi et al., 2021).

## **Second: Creative Accounting**

### **1. The Concept of Creative Accounting**

Creative accounting or fraudulent accounting as some call it is an event that appeared in the eighties of the last century, and it probably began when organizations faced difficulties in the recession that occurred in the early eighties (Blazek, 2021), where there was pressure to produce better profits at a time when it was difficult to find those profits, and when companies discovered that laws only tell you what you can't do and not what you can do! Therefore, institutions have argued that if they cannot earn profits, they can at least innovate them. (Nisreen& um Al-Khair,2022)

"Creative accounting" is defined through income adjustment, profit management, profit adjustment, financial engineering, and cosmetic accounting (Abdurrahmani & Dođan, 2021). argues that (Abed et al.,2024) creative accounting is a method or process used to influence financial figures, including decisions made about the application of accounting rules and financial statements. cited (Tokoni & Paul,2023) creative accounting as those who make deeper interventions in holding individual organizations accountable based on self-interest rather than objective interest.

Creative accounting is also defined as the actions practiced by business organizations with the aim of reducing or increasing their profits, through their secretly formed accounts (Nawaiseh et al., 2024). argues that (Ado et al., 2022) creative accounting is an accounting practice that may or may not adhere to the Code of Accounting Standards Practice but clearly deviates from these rules and regulations. pointed out that (Al-Daoud et al., 2023) creative accounting is an unethical practice by the company's management by exploiting the flexibility and ease of choosing accounting principles to achieve certain goals. explained that (IMO,2022) creative accounting represents the practice of recognizing revenue in a way that makes a company look better than it is, while adhering to generally accepted accounting standards. argued that (Ogoun & Atagboro,2020) creative accounting refers to accounting manipulation to take advantage of gaps in accounting rules and measurement and disclosure practices.

From the above, it can be said that creative accounting represents the outcome of practices, activities and procedures aimed at finding loopholes to manipulate the data and information of the financial reports of partners in order to make these reports more suitable for the work environment.

### **2. Objectives of Studying Creative Accounting**

The objectives of the creative accounting study can be determined by the fact that it works as a tool used to show a better version of the financial result prepared by the accountant, i.e. converting accounting data into more accurate data (Helimi et al., 2023), and from this basis the objectives of creative accounting can be determined in the following points:

a. Identify procedures designed to deal with new situations that are not subject to current accounting standards (Blazek et al., 2023).

b. Helping companies identify unethical ways to raise funds from the market by giving potential investors a false impression of the company's financial situation (Kováčová et al., 2022).

c. Building the activities of the persons responsible for preparing financial statements to reduce financial manipulation (Szewieczek & Ostrowska,2021).

d. Used as a way to present the company's financial results to attract more investors (Rathnasiri et al.,2020).

e. Obtaining or maintaining funding.



- f. Identify liquidity problems necessary for the continuation of the company's operational and investment operations.
- g. Build and determine the activity and financial position of the company during a certain period.
- h. Reducing bad impressions about the company's capital in a way that leads to lower borrowing costs for the company (Aisha & Nasira, 2023).

### 3. Dimensions of Creative Accounting

Creative accounting can be measured through three important dimensions:

- a. **Motives for the use of creative accounting:** Creative accounting motives are usually used in order to improve the financial values related to the performance of the business institution that, if not distorted, reflect a negative image of the institution in front of its competitors, as well as to obtain an advanced classification over its competitors in the professional classification processes conducted by specialized international institutions based on financial indicators and standards extracted from the financial statements (Nisreen & um Al-Khair, 2022).
- b. **Creative Accounting Practices:** Creative accounting practices innovate a proposal in financial reporting for the purpose of obtaining special benefits, including changing the stated economic situation (Ahmed et al., 2022), and serves as a tool used to show a better version of the financial result prepared by the accountant, i.e. converting accounting data into more accurate data (Kriswiranti & Sari, 2020).
- c. **Creative Accounting Disclosure Mechanisms:** Creative Accounting Disclosure Mechanisms work by identifying a set of accounting practices that aim to manipulate the circumvention of financial statements to present a hidden form of the value and financial reality of the company (Al-Hashimy, 2022). The mechanisms for detecting these practices include a range of activities and procedures aimed at using financial analysis ratios, financial policies and accruals as key indicators in addressing these cases (Shkurti et al., 2021).

### Part Three: Field Aspect

#### First: Coding of Research Variables

The purpose of this paragraph is to introduce the reader and the sample to the importance of the research variables through the results presented by the research towards the variables used, as well as the coding of these variables in order to extract accurate results that contribute to enriching and supplementing the sample information by identifying strengths and addressing weaknesses, and Table (1) shows the coding and characterization of research variables.

Table 1 Coding and characterization of search variables

Variables	Dimensions	Paragraphs	Code	Source
<b>Internal Digital Auditing</b>	Planning Audit Process	6	IDAPA	Abu Awwad& Almatarneh,2023
	Risk Assessment	7	IDARA	
	Examining and Evaluating Internal Control System	7	IDAEE	
	Implementation of Information Analysis Procedures	7	IDAIA	
<b>Creative Accounting</b>	Motivations for Using Creative Accounting	6	CAMU	Nisreen& Umm Al-Khair,2022
	Creative Accounting Practices	6	CAPR	
	Mechanisms for Detecting Creative Accounting	6	CAMD	

#### Second: Moderation and Stability of Research Variables

It is noted from the results of Table (2) that the data withdrawn from the accountants in the surveyed banks follow the normal distribution, which means the possibility of generalizing the results of the research on the fully researched sample, and providing information and knowledge of the sample towards the shortcomings it suffers from, and highlighting the capabilities that characterize it, in addition to this it is noted that the questionnaire tool is characterized by relative stability and this achieved a stability value of (0.891) for the internal digital audit variable. And (0.885) for the creative accounting variable, which means that the data drawn and related to the research paragraphs are characterized by stability and internal consistency.

Table (2) Test of moderation and stability of research variables

Variables	Dimensions	Kol-Smi Test	Sig.	Cronbach's Alpha	Sig.
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<b>IDA</b>	IDAPA	0.183	<b>0.194</b>	0.200 <sup>c</sup>	0.852	<b>0.891</b>	0.001
	IDARA	0.177		0.200 <sup>c</sup>	0.856		0.001
	IDAEE	0.234		0.200 <sup>c</sup>	0.877		0.001
	IDAIA	0.238		0.200 <sup>c</sup>	0.869		0.001
<b>CA</b>	CAMU	0.235	<b>0.228</b>	0.200 <sup>c</sup>	0.865	<b>0.885</b>	0.001
	CAPR	0.249		0.200 <sup>c</sup>	0.861		0.001
	CAMD	0.195		0.200 <sup>c</sup>	0.855		0.001

### Third: Description of Research Variables

The data in Table (3) shows that the internal digital audit variable (IDA) obtained an arithmetic mean of (3.37) and a standard deviation of (1.05), which shows a level of relative importance of (67%), which means that accountants in the surveyed banks have a high priority towards introducing electronic technologies into their daily operations in order to complete tasks faster, and perhaps the dimension that contributed to enriching this variable is after the implementation of information analytical procedures (IDAIA) with an arithmetic mean of (3.44) and a standard deviation. Its value is (1.09), and the level of relative importance is equal to (69%), while after the risk assessment (IDARA) came in last place with an arithmetic mean of (3.32) and a standard deviation equal to (1.10) and a relative importance of its value (66%).

The results of Table (3) also show that the creative accounting variable (CA) obtained an arithmetic mean of (3.42) and a standard deviation of (1.01), which shows a level of relative importance of (68%), which means that accountants in the surveyed banks urge the use of digital technologies in order to reduce creative accounting practices by reducing financial fraud with data, because this data is recorded on an official database that is difficult to manipulate, which leads to the reluctance of manipulators to adapt the data. Perhaps the dimension that contributed to enriching this variable is the dimension of creative accounting practices (CAPR) with an arithmetic mean of (3.45) and a standard deviation of (1.03), and a level of relative importance equal to (69%), while after the mechanisms of disclosure of creative accounting (CAMD) came in last place with an arithmetic mean of (3.37) and a standard deviation equal to (1.00) and a relative importance of its value (67%).

Table 3 Description of search variables

NO.	mean	S.D	Percent	NO.	mean	S.D	Percent	NO.	mean	S.D	Percent
<b>IDAPA1</b>	3.26	1.10	65%	<b>IDAEE4</b>	3.39	1.22	68%	<b>CAMU5</b>	3.50	1.15	70%
<b>IDAPA2</b>	3.28	1.11	66%	<b>IDAEE5</b>	3.36	1.20	67%	<b>CAMU6</b>	3.38	1.24	68%
<b>IDAPA3</b>	3.34	1.22	67%	<b>IDAEE6</b>	3.34	1.24	67%	<b>CAMU</b>	<b>3.43</b>	<b>1.06</b>	<b>69%</b>
<b>IDAPA4</b>	3.21	1.19	64%	<b>IDAEE7</b>	3.35	1.16	67%	<b>CAPR1</b>	3.44	1.15	69%
<b>IDAPA5</b>	3.30	1.25	66%	<b>IDAEE</b>	<b>3.40</b>	<b>1.07</b>	<b>68%</b>	<b>CAPR2</b>	3.48	1.21	70%
<b>IDAPA6</b>	3.28	1.13	66%	<b>IDAIA1</b>	3.51	1.16	70%	<b>CAPR3</b>	3.41	1.12	68%
<b>IDAPA</b>	<b>3.32</b>	<b>1.05</b>	<b>66%</b>	<b>IDAIA2</b>	3.37	1.21	67%	<b>CAPR4</b>	3.39	1.14	68%
<b>IDARA1</b>	3.36	1.11	67%	<b>IDAIA3</b>	3.34	1.23	67%	<b>CAPR5</b>	3.43	1.15	69%
<b>IDARA2</b>	3.36	1.12	67%	<b>IDAIA4</b>	3.38	1.25	68%	<b>CAPR6</b>	3.35	1.20	67%
<b>IDARA3</b>	3.21	1.19	64%	<b>IDAIA5</b>	3.43	1.16	69%	<b>CAPR</b>	<b>3.45</b>	<b>1.03</b>	<b>69%</b>
<b>IDARA4</b>	3.33	1.29	67%	<b>IDAIA6</b>	3.39	1.26	68%	<b>CAMD1</b>	3.52	1.35	70%
<b>IDARA5</b>	3.27	1.20	65%	<b>IDAIA7</b>	3.33	1.33	67%	<b>CAMD2</b>	3.38	1.00	68%
<b>IDARA6</b>	3.28	1.31	66%	<b>IDAIA</b>	<b>3.44</b>	<b>1.09</b>	<b>69%</b>	<b>CAMD3</b>	3.31	1.12	66%
<b>IDARA7</b>	3.24	1.30	65%	<b>IDA</b>	<b>3.37</b>	<b>1.05</b>	<b>67%</b>	<b>CAMD4</b>	3.28	1.22	66%
<b>IDARA</b>	<b>3.32</b>	<b>1.10</b>	<b>66%</b>	<b>CAMU1</b>	3.32	1.15	66%	<b>CAMD5</b>	3.24	1.10	65%
<b>IDAEE1</b>	3.37	1.15	67%	<b>CAMU2</b>	3.45	1.24	69%	<b>CAMD6</b>	3.28	1.15	66%
<b>IDAEE2</b>	3.49	1.17	70%	<b>CAMU3</b>	3.29	1.14	66%	<b>CAMD</b>	<b>3.37</b>	<b>1.00</b>	<b>67%</b>
<b>IDAEE3</b>	3.31	1.21	66%	<b>CAMU4</b>	3.38	1.25	68%	<b>CA</b>	<b>3.42</b>	<b>1.01</b>	<b>68%</b>

### FOURTH: TESTING RESEARCH HYPOTHESES

**H1: There is a significant correlation between internal digital audit and creative accounting.**

The results of Table (4) show a significant correlation between internal digital auditing and creative accounting (0.963), which means that accountants have a high priority towards paying attention to reducing creative accounting used for financial fraud and through internal digital audit procedures, and this shows the validity of the first hypothesis.

The results also show a correlation between the dimensions of internal digital audit and the dimensions of creative accounting, which shows the validity of the sub-hypotheses (first, second, third, and fourth), and this paves the way for testing the second main hypothesis.

Table 4 Correlation matrix

	1	2	3	4	5	6	7	8	9
<b>IDAPA (1)</b>	1								
<b>IDARA (2)</b>	.924**	1							
<b>IDAEE (3)</b>	.929**	.957**	1						
<b>IDAIA (4)</b>	.927**	.953**	.966**	1					
<b>IDA (5)</b>	.965**	.980**	.984**	.983**	1				
<b>CAMU (6)</b>	.914**	.918**	.951**	.932**	.949**	1			
<b>CAPR (7)</b>	.913**	.909**	.938**	.925**	.942**	.958**	1		
<b>CAMD (8)</b>	.931**	.897**	.929**	.924**	.941**	.930**	.938**	1	
<b>CA (9)</b>	.937**	.927**	.958**	.945**	.963**	.982**	.985**	.974**	1

H2: There is a significant impact of internal digital auditing in creative accounting.

It is noted from the results of Table (5) and Figure (2) that there is a significant impact of internal digital auditing in creative accounting, which means that increasing the interest of accountants in applying internal digital audit procedures contributes to an improvement of (0.921) in reducing creative accounting used for financial fraud, with a standard error of (0.025) and a critical value of (36.84), which means giving high priority to the accuracy and reliability of the procedures practiced by the surveyed banks in liquidating and improving their financial reports submitted to investors and customers dealing with them. This shows the validity of the second main hypothesis, which means that the acceptance of this hypothesis supports the acceptance of the sub-hypotheses that emerge from it.

The table also shows that internal digital audit contributed to the explanation of (0.927) of variation in creative accounting used for financial fraud.

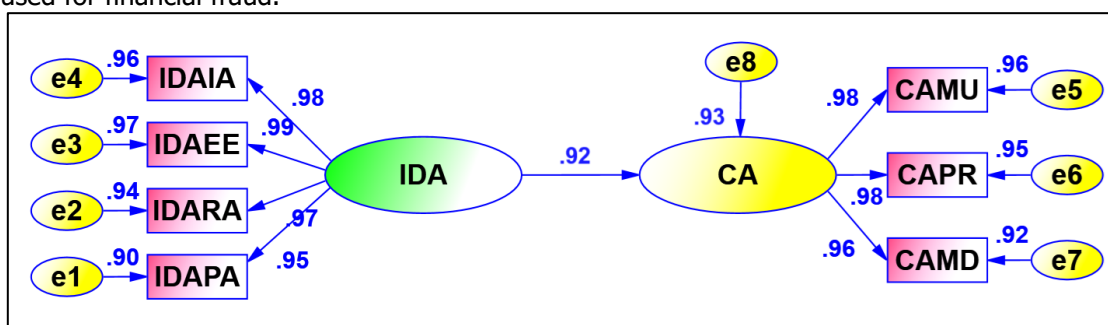


Figure 2 Standard Model of the Impact of Internal Digital Auditing on Creative Accounting

Table (5) Outputs of the Standard Model for the Impact of Internal Digital Auditing on Creative Accounting

Path	Estimate	S.E	C.V-value	R <sup>2</sup>	F	Sig.
IDA ---> CA	0.921	0.025	36.84	0.927	1360.449	0.001

## PART FOUR: CONCLUSIONS AND RECOMMENDATIONS

### FIRST: CONCLUSIONS

1. The use of internal digital audit procedures in commercial banks contributes to reducing financial fraud used in creative accounting, which provides effective tools to detect manipulation and forgery in financial statements and statements.





2. Commercial banks are keen to apply advanced digital internal control systems to help in the early detection of attempts to manipulate the financial used in creative accounting in banks, including automatic monitoring systems and advanced analytics.
3. Commercial banks focus on training and qualifying internal audit cadres through the use of advanced digital auditing techniques in order to enhance and improve the methods of detecting manipulation and financial fraud that are used to reduce creative accounting.
4. Commercial banks are interested in strengthening the technological infrastructure and integrating it with electronic control and audit systems, which contributes to detecting any opportunities for financial fraud and undesirable practices.
5. Commercial banks are keen to develop strict policies and procedures to verify the accuracy of financial statements and disclose their data in a transparent manner, which contributes to supporting the effectiveness of internal digital auditing to detect any attempt to manipulate that affects the reputation and location of internal and external banks.

## **SECOND: RECOMMENDATIONS**

1. Commercial banks should adopt advanced internal digital audit techniques to improve internal control processes, including big data analytics and artificial digital intelligence to detect attempts at financial manipulation and creative accounting practices.
2. Commercial banks should develop and implement training programs that improve the capabilities of internal audit staff to support their skills in implementing digital audit tools and applying international best practices.
3. Commercial banks should be keen to modernize the bank's technological infrastructure, including advanced electronic control and control systems to ensure the integrity of financial data and protect it from penetration and manipulation.
4. Commercial banks should develop clear and transparent disclosure and transparency policies in the bank's financial reports in line with international standards.
5. The need to build an independent internal digital audit unit in the bank, equipped with the necessary human and technological resources to carry out its tasks effectively by establishing strict procedures to verify the validity of financial transactions and accounting data before including them in the financial records and statements.

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