


THE IMPACT RELATIONSHIP BETWEEN ACCOUNTING DISCLOSURE AND CREATIVE ACCOUNTING IN THE ENVIRONMENT OF IRAQI BANKS

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 20 February 2023</p> <p>Accepted 18 May 2023</p>	<p>Purpose: The research aims to demonstrate the impact of disclosure as an accounting standard to reduce any manipulation of bank profits, when using creative accounting, and improve the performance of bank departments, especially senior management, which is the main cause of profit manipulation, and to indicate the extent of the impact of accounting disclosure as an accounting standard to reduce creative practice.</p>
<p>Keywords:</p> <p>Accounting Disclosure; Creative Accounting; Disclosure Quality.</p> 	<p>Theoretical framework: The study shows the effect of accounting disclosure as an accounting standard, to reduce creative practice, and disclosure as an accounting standard, one of the most important of these criteria used, which is the course through which details are presented and the decisions are submitted to the policy followed by the facility (Hassan, 2010: 25)</p> <p>Design/methodology/approach: For the purpose of completing the study, a sample of the banking sector was chosen in the Iraqi environment, where (13) banks were chosen, namely (Commercial Bank- Investment Bank- Ashur Bank- Investment Bank- Gulf Bank- United Bank- Middle East Bank- Al Mansour Bank- Mosul Bank- Bank Baghdad - Somer Bank - Al -Ahly Bank - Credit Bank - Al Ittihad Bank). Sound and correlation and influence laboratories have been used to extract results</p> <p>Findings: The results of the descriptive analysis showed that there is no weakness in the level of disclosure in Iraqi banks, during the study period, and the values of proportions indicate a relative rapprochement between banks in the terms of disclosure.</p> <p>Research, Practical & Social implications: The study shows the effect of applying disclosure as an accounting standard in reducing creative accounting practice.</p> <p>Originality/value: The results of the statistical analysis showed that the value of (ProB) for the independent variable apply the disclosure as an accounting standard less than (0.05), as it reached (0.017), which indicates that there is a reverse moral impact to apply disclosure as an accounting standard No. (1) on creative accounting.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i5.1658</p>

A RELAÇÃO DE IMPACTO ENTRE A DIVULGAÇÃO CONTÁBIL E A CONTABILIDADE CRIATIVA NO AMBIENTE DOS BANCOS IRAQUIANOS

RESUMO

Objetivo: A pesquisa tem como objetivo demonstrar o impacto da divulgação como padrão contábil para reduzir qualquer manipulação dos lucros do banco, ao usar a contabilidade criativa, e melhorar o desempenho dos departamentos do banco, especialmente da alta administração, que é a principal causa da manipulação dos lucros, e indicar a extensão do impacto da divulgação contábil como padrão contábil para reduzir a prática criativa.

Estrutura teórica: O estudo mostra o efeito da divulgação contábil como um padrão contábil para reduzir a prática criativa e a divulgação como um padrão contábil, um dos mais importantes desses critérios usados, que é o curso

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pelo qual os detalhes são apresentados e as decisões são submetidas à política seguida pela instituição (Hassan, 2010: 25)

Projeto/metodologia/abordagem: Para fins de conclusão do estudo, foi escolhida uma amostra do setor bancário no ambiente iraquiano, onde (13) bancos foram escolhidos, a saber (Banco Comercial - Banco de Investimento - Banco Ashur - Banco de Investimento - Banco do Golfo - Banco Unido - Banco do Oriente Médio - Banco Al Mansour - Banco Mosul - Banco Bagdá - Banco Somer - Banco Al -Ahly - Banco de Crédito - Banco Al Ittihad). Laboratórios de som, correlação e influência foram usados para extrair os resultados

Conclusões: Os resultados da análise descritiva mostraram que não há fraqueza no nível de divulgação dos bancos iraquianos durante o período do estudo, e os valores das proporções indicam uma relativa aproximação entre os bancos em termos de divulgação.

Implicações sociais, práticas e de pesquisa: O estudo mostra o efeito da aplicação da divulgação como um padrão contábil na redução da prática de contabilidade criativa.

Originalidade/valor: Os resultados da análise estatística mostraram que o valor de (ProB) para a variável independente aplicar o disclosure como padrão contábil é menor do que (0,05), pois atingiu (0,017), o que indica que há um impacto moral reverso ao aplicar o disclosure como padrão contábil nº (1) na contabilidade criativa.

Palavras-chave: Divulgação Contábil, Contabilidade Criativa, Qualidade da Divulgação.

LA RELACIÓN DE IMPACTO ENTRE LA DIVULGACIÓN DE INFORMACIÓN CONTABLE Y LA CONTABILIDAD CREATIVA EN EL ENTORNO DE LOS BANCOS IRAQUÍES

RESUMEN

Objetivo: La investigación pretende demostrar el impacto de la divulgación como norma contable para reducir cualquier manipulación de los beneficios del banco mediante el uso de la contabilidad creativa y mejorar el rendimiento de los departamentos del banco, especialmente de la alta dirección, que es la principal causa de la manipulación de los beneficios, e indicar el alcance del impacto de la divulgación contable como norma contable para reducir la práctica creativa.

Marco teórico: El estudio muestra el efecto de la divulgación contable como norma contable para reducir la práctica creativa y la divulgación como norma contable, uno de los más importantes de estos criterios utilizados, que es el curso por el que se presentan los detalles y se someten las decisiones a la política seguida por la institución (Hassan, 2010: 25)

Diseño/metodología/enfoque: Para la realización del estudio se eligió una muestra del sector bancario en el entorno iraquí, donde se eligieron (13) bancos, a saber (Commercial Bank - Investment Bank - Ashur Bank - Investment Bank - Gulf Bank - United Bank - Middle East Bank - Al Mansour Bank - Mosul Bank - Baghdad Bank - Somer Bank - Al -Ahly Bank - Credit Bank - Al Ittihad Bank). Para extraer los resultados se utilizaron laboratorios de sonido, correlación e influencia.

Conclusiones: Los resultados del análisis descriptivo mostraron que no existe ninguna debilidad en el nivel de divulgación de los bancos iraquíes durante el periodo de estudio, y los valores de las proporciones indican una relativa cercanía entre los bancos en términos de divulgación.

Implicaciones sociales, prácticas y de investigación: El estudio muestra el efecto de la aplicación de la divulgación como norma contable en la reducción de la práctica de la contabilidad creativa.

Originalidad/valor: Los resultados del análisis estadístico mostraron que el valor de (ProB) para la variable independiente aplicación de la divulgación como norma contable es inferior a (0,05), ya que alcanzó (0,017), lo que indica que existe un impacto moral inverso de la aplicación de la divulgación como norma contable nº (1) sobre la contabilidad creativa.

Palabras clave: Revelación de Información Contable, Contabilidad Creativa, Calidad de la Revelación de Información.

INTRODUCTION

Through our knowledge of the world of financial markets, we have found that there is a significant increase in the number of investing companies, which have the potential to make a change in the financial markets and the economy, especially in tourism companies, services,

real estate investment, industrial institutions and even banks and insurance companies . With such a large and rapid entry of these institutions, investors had to have sufficient data containing important details , and these data should still carry high values to enable them to make the right decision to enter into large investments . We find that there are companies that have been working to preserve these details using social media in all its forms (Manin:2019,127-139). As a result of this significant increase in the volume of investments and their trading in the securities markets, it was necessary to turn to the laws of international accounting standards, and disclosure as an accounting standard was one of the most important of those standards used, which is the way through which details are provided and decisions related to the policy followed at the origin are known and informed by publishing them on time (Hassan, 2010: 25) , Disclosure is one of the most important topics that has received great attention recently because it includes all the necessary computational details that benefit users in order to make a decision, and this means that the details must be presented in a transparent way that allows predicting future distribution trends and revenue differences for all institutions . We also find that disclosure as an accounting standard provides details for the categories that use accounting data ,not due to any economic decisions related to the institution, the source of the data, and also provides these users with any financial indicators that enable them to make any prediction in some of the basic factors of that origin, such as its administrative strength or ability to its short-term obligations (Zuhair ANI, 2006). the focus on accounting disclosure has increased in recent years, until this principle or standard has become important at all levels, whether local or international, and this is because it is not only used to unify financial systems, but it has also been used to explain its impact in crises This has prompted institutions to adopt this principle more seriously and transparently . Its importance is confirmed by the fact that most users of financial statements do not have the opportunity to view the company's books and records, so you find them relying on things that enable them to get any details through financial reports published constantly .(Aker, 2:2010).And often the administrations of institutions resort to their influence on the decisions of users of any financial statements, where they underestimate the importance of the quality of those cash flow reports that they provide to the investor, in order to achieve a set of material motives in order to achieve profits, because the most important thing that confirms the credibility of those accounting details are financial reports .This method of manipulation is called creative accounting, which means manipulating the activity Here we find that the method of profits achieved by this course is legal and does not contradict the accounting principles that are generally accepted, and it is the prerogative of the company's top

management .We find here that the flexibility that exists in any accounting policy followed by these institutions and the freedom that the decision-makers in that company have of changes when submitting cash flow reports, which have an important role in managing profits or adapting the subject for their purposes .(Ahmed, 2022).

Creative accounting began to appear in the late seventies of the twentieth century , and its presence increased in the Eighties of the twentieth century, where one of the methods of manipulating accounts is the practice that deliberately hides the actual performance of companies in order to achieve results beneficial to the company or some of its employees (Gharbi , et al., 2022).And dealing with this form of accounts has increased when some institutions faced great difficulties in achieving the expected profits, and accounting was used with the intention of distorting real income to show the size of profits greater than the actual reality, this is a fraud that shows the institutions in question look better than in reality using accounting principles and laws, after discovering that the knowledge and experience of any base or An accounting law used in processing financial and accounting data contained in the records of institutions and working to manipulate them in order to improve them and fake beautification of these financial statements to achieve actual goals, through an accountant and his experience that enables him to manipulate numbers and any financial data to give results achieved by (Ikatan, 2017))creativity in accounts was considered a form of deception and fraud through the researcher's discussion of the concept of creative accounting, and I have explained the various accounting practices that have two sides, the first face : represents the positive side of creative accounting by providing details reliable and healthy, the second side : It is the negative face that can lead to manipulation and resourcefulness . This form of accounting is no longer just the process of proving details in financial books and records, it has become an integrated system of accounting details used by many parties through the adoption of advanced scientific methods and methods, that creativity in accounts focuses on how to make those financial details and data through processes are described as creativity, through the use of technical skills as outputs are represented by cash flow reports in order to communicate those details to the beneficiaries to achieve their goals .This innovation may be a policy pursued by the company's management to manipulate arithmetic numbers . Here, the accountant, according to his experience, has to ask the senior management to manipulate the financial statements .(Hani, et al., 2020) .

In order to complete this study ,it was divided into three sections ,the first section presented the literature review of the study, the second section the methodology, and the third section reviewed the results and discussion.

LITERATURE REVIEW

Many disclosure studies look at the details of disclosure companies for private sector companies, and others look at the public sector and non-profit organizations. Glassman,2002), 2014)Zouina,(In all these studies, accounting disclosure plays a key role and should be measured by the course of(Ma Marston and Robson, 2019) .

Disclosure is defined as "the transmission of knowledge or the transfer of details from its main source to the sTable utilization or utilization of it" (al-Sabban, 1991) . Others argue that disclosure is "to reveal all the details affecting the positions of decision-makers related to economic units" (al-Hayali, 1996) . Accounting disclosure can also be defined as "the inclusion of financial reports on all the necessary details to give a more comprehensive view of the accounting unit for users of those reports" (Shirazi, 1990).There is also an important definition of disclosure, which is in the case of the financial world, what has been disclosed refers to the disclosure of all the company's details at the most appropriate time, which the investor may be affected by its decisions, and reveals positive and negative data that affect his business)) (BOYAR, 2020).

On the other hand, Creative accounting was based on many scandals, and proposals were developed to correct accounting, where modern analytical procedures were focused on capital, and the productivity factor was realistically visualized how to add real value .(Balaciu, 2011) this form of accounting by accounting specialists is associated with the creative work, Design, Research and management of the "technological process", (AlMomani&Obeidat,2013) the resulting details of which are presented in the financial statements in accordance with the wishes expressed by the management of an economic entity. If the methods are applied from some bona fide specialists, the result is as realistic as possible (Balaciu, 2012).

Creative accounting consists of the required laws and regulations from which this accounting originates, and is different for what these standards intend to achieve . Creative accounting can take advantage of gaps in international standards to incorrectly put a better picture of the company .Although the practice of such accounting is legal, the existence of loopholes that exploit it is often repaired to refrain from such behaviors(Remenarić et al.,2018).

They are often used with each other and persistent fraud in financial matters (fraud, manipulation of securities), and the lines between them are blurred. The practice of such a form of accounting has been known for many years and appears in various forms all over the world. (Abed et al., 2020).

The methods and methods used are aimed at providing an adequate financial position and positive performance of the economic entity, the result may be distorted.

Hayes (2005) noted that Enron Energy Services, a subsidiary of Enron Corporation, uses questionable accounting practices to identify revenue (revenue manipulation). By predicting that electricity prices will fall in the future, Enron recorded an immediate profit on a long-term energy contract.

Enron has estimated its profits over the entire term of the contract, based on assumptions about future energy prices, energy use and the speed at which countries will liberalize the electricity market. Enron predicted what prices would be in unregulated markets, based on the forecasts, as it calculated its total profit for the entire contract and the revenue recorded from the contract. Thus, managers manipulated reported profits to achieve some goals such as target profits, employee bonuses, bond pledges, beneficiaries and stock price drivers. The question that arises in this case is to determine whether creative accounting and fraud are synonymous concepts. The answer is categorically No, because fraud is a bad-faith act that violates the law and has negative natures. Creative accounting appeals to those computational practices derived from a standard accounting practice. Providing the necessary details is one of the roles of accounting, in order to make decisions regarding its financial position, changes, performance of the economic entity and financial position, any details provided are useful to business partners only if they meet certain characteristics to ensure the reporting and its quality (Balaciu, 2012).

The forms of creative accounting practice have been examined to compare scandals occurring at large enterprises in the past two decades. Within this framework, we are trying to figure out the reasons that prompted us to get into a financial crisis again, even if history has taught us that the risks are too great. In particular, the next goal we want to achieve is an empirical study to reveal the existence and impact of an innovative accounting practice, for Romanian companies listed on the BSE (Bucharest Stock Exchange). It would be a mistake to think that regulation and normalization objectively present an accounting picture of the company. It only reveals the course in which this picture was painted. Also, (MacBarnet and

Whelan,1999) stated that all financial engineering used to create an image or to be represented are called creative accounting tools (MacBarnet, 1999).

Shah (2000) focuses on the management of an enterprise using irregularities or ambiguities in legislation so as to create a corporate image according to their preferences; in other words, financial performance is achieved by exploiting irregularities in legislation, promoting the idea that creative accounting does not break the law, but only its spirit.

The relationship between disclosure quality and profit management: It is the details and associated components that are of interest to users and since in defrauding the accepted standards, accounting profits are measured based on compliance, managers have more opportunities to engage in profit management.

Since the company's disclosure is improved, the quality leads to reducing the non-Good details, trying to reduce the inconsistency of information, as management is associated with less profits, and there is also a negative relationship between the company's management and the quality of disclosure and profit management . For a long period of time, those enterprises with high income and detail management will have a lower quality of disclosure and the share price is undervalued which means that there is a direct correlation between the quality of disclosure and the value of the company.

And the relationship between the quality of disclosure and capital expenditures as already mentioned, there are details of asymmetry between managers, the same asymmetry can also be seen between different groups of investors. Informed investors have the right to access any confidential details, while an uninformed investor can access only public information.

The quality of disclosure can affect this in the inconsistency of details through trading and the presence of uninformed investors is Malian ,(Emrahimian & AmirpourMola, 2011)

Botasan: 1997 stated that any result of his tests showed that the details and the quality of which were revealed were directly related to the decrease in the capital spent.

And with the spread in the market, bond trading will increase so that investors can realize the portfolio of options in a malicious investment.

A boost in bond trading leads to a boost in bond liquidity and a disruption in bond trading expenses. And this is the ally of the path by which capital spending is reduced.

When the quality of disclosure increases, not only more investors will participate in the bonds of traded institutions but also their efforts to access confidential data will decrease.

As an unfair detail the cost of trading will also decrease, while the demand for corporate bonds will increase,. This leads to a decrease in capital spending (Setayesh and Kazemnezhad and Zolfaghari , 2011).

Research Objective

The research aims demonstrate impact of disclosure as an accounting standard to reduce any manipulation of bank profits, when using creative accounting, and to improve the performance of bank departments, especially senior management, which is the main cause of manipulation in profits, and to indicate the extent of the impact of accounting disclosure as an accounting standard to limit creative practice

MATERIALS AND METHOD

Accounting has become the primary and important role in the business world today, and in light of the results of this role , the policies of enterprise management are determined in the decision-making process , which is one of the important pillars in any economy in any country , so the data recorded in the lists should not be ambiguous ,or contain distortion or misleading of important ideas, and this is done by taking advantage of accounting disclosure and measurement standards, and therefore these data must be provided, in order to be appropriate, reliable and objective(Goel, 2017). Most international and local institutions are trying to improve their financial statements, in order to be able to beautify their financial situation in terms of profitability or in terms of financial position , and here they achieve important goals based on the guidance of senior management . Creative accounting is only a transfer of accounting figures and the flexibility that allows it.

(Inaam and Khams's,2020).But if we come to performance improvement , we will find that this process starts from the roots, as addressing the phenomena of problems facing organizations without eliminating their causes, does not lead to the elimination of those problems, which means that they may appear again . (Latifa, 2017) .

Hence, we can identify the problem of the study, raising the following question: (is it possible to apply disclosure as an accounting standard in limiting the practice of creative accounting)

The importance of this study paper lies in the most important thing that institutions and banks do , and their role in general in the balance of the Iraqi economy, and the importance of using disclosure as an accounting standard , on financial statements correctly , as it contributes

more to financial stability in particular, and in turn financial stability, will contribute significantly to enable institutions and banks to face any financial or economic crisis. The specificity of dealing with creative accounting is especially important when organizations used their departments different methods, to show the result of their activity and financial position , which achieved their goals . As for improving the performance of those institutions and banks , at the end of the fiscal year on (12/31), an assessment of the performance of the work of those departments should be carried out ,in order to identify the extent to which the desired goals are achieved by the Departments of those institutions (al-Husseini, al-Douri, 2006).

The research aims to demonstrate the impact of disclosure as an accounting standard, to reduce any manipulation of bank profits, when using creative accounting, and improve the performance of bank departments, especially senior management, which is the main cause of profit manipulation, and to indicate the extent of the impact of accounting disclosure as an accounting standard to reduce creative practice.

The hypothesis of the study can be built by the following question:

H0: there is no effect in applying disclosure as an accounting standard in limiting the practice of creative accounting at the indicative level of 0.05.

H1: there is an effect in the application of disclosure as an accounting standard in limiting the practice of creative accounting at the indicative level of 0.05.

It is one of the ways and means by which the study is accomplished, by following the path of relying on a set of research tools for this aspect, consisting of two aspects:

- The theoretical aspect: to clarify this aspect, the descriptive method was used, where we can rely on all that is available to us from local, Arab and foreign sources, which include scientifically verified researches and studies, books and a number of published researches on the study topics.
- Practical aspect: mathematical equations were used in order to identify the importance of using disclosure as an accounting standard and how to limit dealing with creative accounting in Iraqi banks and using the statistical method by (spss) to reach the results.

A study has indicated (Mr. Ali , et al., 2022) "accounting disclosure and its role in achieving sustainable development" referred to the most important basic elements necessary for accounting disclosure and its role in achieving sustainable development and trying to benefit from the experience of the Bahrain Bourse. The study conducted a detailed analysis of the experience of the Bahrain bourse as a case study based on its published reports, in addition, a

questionnaire form was distributed to a sample of teachers at the University of Warith of the prophets .Many financial and statistical methods were used, and the study found no significant relationship between accounting disclosure in achieving sustainable development, which means that the level of increasing the degree of disclosure has an impact on achieving sustainable development. The study recommends obliging the competent authorities to apply the Bahrain Bourse's experience in sustainability, as well as allocating a specialized system for opinions and complaints in light of their efforts to enhance the importance of bonding with stakeholders.

A study (Mohammed , Abdul Hussein , 2022) "the impact of creative accounting in stock returns is an analytical study in the Iraq securities market" to define the nature of profit management and its methods, and the most prominent factors in a way that helps enhance information not decision makers, and determine whether the practice of the phenomenon of profit management affects the capital structure of companies sample research. The modified Jones model (1995) was used to measure profit management.the research community consisted of all companies listed on the Iraq stock exchange for the period (2010-2019). the research sample included (26) companies that met the requirements of the companies. the study found that (57%) of the companies in the research sample had practiced profit management for the duration of the research (2010-2019), while the remaining companies had practiced for varying periods. The study found that there is no effect of no profit cycle on the stock returns of the companies of the research sample.

The study (Abdul , Anon , 2021)" the role of mandatory accounting disclosure in the efficiency of investment decisions is an applied study in a sample of commercial banks in Babylon"referred to the knowledge and importance of accounting disclosure and its impact on the efficiency of investment decisions, as it came to address the problem suffered by banks research sample, which is represented by the prevalence of the principle of reservation and non-disclosure of accounting data and information to stakeholders and thus reflected negatively on the decision-maker in competent investment decision-making. Where the five-year Likert scale was used to measure the research variables, the form was distributed to the research sample of (38) employees and (35) was recovered, so the response was (92%), where some statistical methods such as correlation coefficient and regression were used to measure the relationship and impact between the research variables by using the spss program in data analysis, the study found there is a correlation and impact between the level of accounting disclosure and the efficiency of investment decisions in the banks sample its real financial, and not to manipulate the numbers to raise the degree of disclosure to take Various resolutions.

A study (Javier Garcia-Lacalle & Lourdes Torres , 2021) showed: online disclosure practices in Spanish government agencies and their liquidity and quality reports .To identify how the basic governance sections relate to the details that are disclosed and the quantity of these details .In order to achieve the goal, the structural equation model was used , A partial micro-squares approach to the analysis and study of the central agencies of the Spanish government ,where the size and presence of independent members of the governing body are factors underlying the explanatory factors behind the reports and their quality .The results have shown that the pressure imposed by the requirements of restrictions on the world sector entities significantly affect the financial details and their quality , which results in the use of settlement practices .Online disclosure practices are explained by the size of agencies and their financial results and not by the features of a governing body , as the details and their quality were better online disclosure levels rose.

A study (gherai & balaciu ,2011) : the Enron phenomenon, the current financial crisis and the role of creative accounting in it " referred to the knowledge of the major global enterprises and the existence of the phenomenon of creative accounting and practices in these enterprises , and also aimed to find out the causes of the collapse of one of the huge energy facilities and analyzed, and analyzes were conducted to identify the causes of the collapses that occurred and showed a major flaw in the level of ethical practice conducted by the accounting profession and the auditing profession.

In this study, it was found that most of the practices have been elaborately designed with the aim of manipulating and showing money and their lists in a good perspective in order to serve special interests, and moving away from those operations from the main goal of the benefits of the economy or caution to risk in the near future, and a few of them were designed perfectly, and the controls and procedures followed accounting, and therefore because of non-respect for the principle of accounting .

RESULTS AND DISCUSSION

Sample Study:

For the purpose of completing the study, a sample of the banking sector in the Iraqi environment was selected, where (13) banks were selected (Commercial Bank-Investment Bank - Ashour Bank - Investment Bank - Gulf Bank - United Bank - Middle East Bank - Mansour bank - Mosul bank - Baghdad bank - Sumer Bank - National Bank - Credit Bank - Union Bank).

Variants of The Study:

- an independent variable: here in this study, disclosure is applied as the accounting standard No. 1 in the Iraqi banking sector at the stock exchange for the period in (2015) to (2020).
- the dependent variable: it is the creative accounting, in the Iraqi banking sector at the stock exchange for the period in (2015) to (2020).

Analysis and Measurement:

In order to measure the variables of the study , methods and equations have been relied on, as the measurement of disclosure as an accounting standard No. 1 in the Iraqi banking sector at the stock exchange, a digital estimate has been used, which is when the bank applies disclosure as an accounting standard No. 1, we give the number (1), but if the opposite is the case, we give the number (0), while creative accounting has been done according to the following equation:

$$[[EM]]_{(t,i)} = \beta_0 + \beta_1 [[IFRS]]_{(t,i)} + \beta_2 [[ROA]]_{(t,i)} + \beta_3 [[SIZE]]_{(t,i)} + \beta_4 [[LEV]]_{(t,i)} + \beta_5 [[SEO]]_{(t,i)} + \beta_6 [[LOSS]]_{(t,i)} + \beta_7 [[Age]]_{(t,i)} + \beta_8 [[MTB]]_{(t,i)} + Year + IND + \varepsilon_{(t,i)}$$

Below are the results of the analysis and measurement of the two study variables:

Table 1- analysis of disclosure as an accounting standard and creative accounting of Commercial Bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
Commercial Bank	2015	0	0.115
Commercial Bank	2016	1	0.022
Commercial Bank	2017	1	0.064
Commercial Bank	2018	1	0.234
Commercial Bank	2019	1	0.155
Commercial Bank	2020	1	0.044

Source: Prepared by the authors (2023)

Table 2- analysis of disclosure as an accounting standard and creative accounting for Ashour bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
Ashur consumption	2015	0	0.005
Ashur consumption	2016	1	0.171

Ashur consumption	2017	1	0.252
Ashur consumption	2018	1	0.024
Ashur consumption	2019	1	0.215
Ashur consumption	2020	1	0.103

Source: Prepared by the authors (2023)

Table 3- analysis of disclosure as an accounting standard and creative accounting of the investment bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
Investment bank	2015	0	0.034
Investment bank	2016	1	0.147
Investment bank	2017	1	0.062
Investment bank	2018	1	0.075
Investment bank	2019	1	0.261
Investment bank	2020	1	0.207

Source: Prepared by the authors (2023)

Table 4- analysis of disclosure as an accounting standard and creative accounting for Gulf Bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
Gulf Bank	2015	0	0.221
Gulf Bank	2016	1	0.011
Gulf Bank	2017	1	0.030
Gulf Bank	2018	1	0.068
Gulf Bank	2019	1	0.110
Gulf Bank	2020	1	0.141

Source: Prepared by the authors (2023)

Table 5- analysis of disclosure as an accounting standard and creative accounting for the United Bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
United Bank	2015	0	0.025
United Bank	2016	1	0.037
United Bank	2017	1	0.000
United Bank	2018	1	0.118
United Bank	2019	1	0.111

Source: Prepared by the authors (2023)

Table 6- analysis of disclosure as an accounting standard and creative accounting for the Middle East Bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
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Middle East Bank	2015	0	0.141
Middle East Bank	2016	1	0.057
Middle East Bank	2017	1	0.119
Middle East Bank	2018	1	0.147
Middle East Bank	2019	1	0.108

Source: Prepared by the authors (2023)

Table 7- analysis of disclosure as an accounting standard and creative accounting for Mansour bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
Al Mansour bank	2015	0	0.089
Al Mansour bank	2016	1	0.103
Al Mansour bank	2017	1	0.001
Al Mansour bank	2018	1	0.009
Al Mansour bank	2019	1	0.147

Source: Prepared by the authors (2023)

Table 8- analysis of disclosure as an accounting standard and creative accounting for Mosul bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
Bank of Mosul	2015	0	0.013
Bank of Mosul	2016	1	0.324
Bank of Mosul	2017	1	0.091
Bank of Mosul	2018	1	0.130
Bank of Mosul	2019	1	0.015

Source: Prepared by the authors (2023)

Table 9- analysis of disclosure as an accounting standard and creative accounting for the Bank of Baghdad for the years from 2015-2020

Name of the bank	The year	IFRS	EM
Bank of Baghdad	2015	0	0.222
Bank of Baghdad	2016	1	0.101
Bank of Baghdad	2017	1	0.352
Bank of Baghdad	2018	1	0.013
Bank of Baghdad	2019	1	0.340

Source: Prepared by the authors (2023)

Table 10- disclosure analysis as an accounting standard and creative accounting for Sumer bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
Consumption of Sumer	2015	0	0.478

Consumption of Sumer	2016	1	0.009
Consumption of Sumer	2017	1	0.261
Consumption of Sumer	2018	1	0.087
Consumption of Sumer	2019	1	0.109

Source: Prepared by the authors (2023)

Table 11- analysis of disclosure as an accounting standard and creative accounting for the National Bank for the years from 2015-2020

<u>Name of the bank</u>	<u>The year</u>	<u>IFRS</u>	<u>EM</u>
National Bank	2015	0	0.152
National Bank	2016	1	0.053
National Bank	2017	1	0.220
National Bank	2018	1	0.046
National Bank	2019	1	0.079

Source: Prepared by the authors (2023)

Table 12- analysis of disclosure as an accounting standard and creative accounting of Credit Bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
Credit Bank	2015	0	0.025
Credit Bank	2016	1	0.067
Credit Bank	2017	1	0.019
Credit Bank	2018	1	0.191
Credit Bank	2019	1	0.044

Source: Prepared by the authors (2023)

Table 13- analysis of disclosure as an accounting standard and creative accounting for Union Bank for the years from 2015-2020

Name of the bank	The year	IFRS	EM
Union Bank	2015	0	0.170
Union Bank	2016	1	0.021
Union Bank	2017	1	0.101
Union Bank	2018	1	0.027
Union Bank	2019	1	0.092

Source: Prepared by the authors (2023)

Through the Tables shown above from (1) to (13), both disclosure was calculated as an accounting standard , and creative accounting, where their values were shown in the Tables above and for the years from 2015 to 2020, and for the purpose of proving hypotheses, the analysis below was used.

Testing the Study Hypotheses

Descriptive statistic

Descriptive statistics of the study variables for the period from (2015) to (2020), a Table is devoted below to display the arithmetic mean, median, standard deviation, and the upper and lower limits of the variables in the study, as follows:

Table 14- descriptive statistics of all study variables

Variable	Mean	Median	Maximum	Minimum	Std. Dev.
IFRS	0.407	0.000	1.000	0.000	0.493
EM	0.096	0.073	0.538	0.000	0.096

Source: Prepared by the authors (2023)

According to the above Table, the disclosure as an accounting standard (IFRS): it has turned out that the lowest value of the disclosure as an accounting standard No. 1 has reached (0.000), while the highest value has reached (1.000), with an average accounting capacity of (0.407) and with a standard deviation of (0.493).

Creative accounting (EM): the lowest value of creative accounting was (0.000), while the highest value was (0.538), with an average calculation capacity (0.0962) and a standard deviation of (0.0958).

Testing of stable data (dormancy) for study variable

The stability of time series refers to the constancy of each average and variation of the values of the series over time, and that the variability between two time periods depends only on the time gap, and not on the real time in which the variability is measured, and the unit root test is applied in order to ascertain whether the study variables are stable or not, using the Levin-Lin-Chu misleading and misinterpreted.

The correlation coefficient measures the degree of linear correlation between two variables, and the correlation coefficients for these variables were (accounting disclosures as STANDARDIFRS) and (creative accounting EM) and as shown below:

Table 15- unit root test results for two variables (accounting disclosures as STANDARDIFRS) and (creative accounting EM)

Variable	Statistic	Prob.
EM	-13.340	0.000
IFRS	-16.000	0.000

Source: Prepared by the authors (2023)

Table No. (15) shows the results of the stability test of the study data, using the Levin-Lin-Chu test (LLC). It also shows that all the time series data used in the study are stable over time, because all the probabilistic values of the variables are less than (0.05) and indicates that it does not contain a root of unity and the time series are stable.

Test the Hypothesis of the Study

The sample of the study included (13) banks listed on the Iraqi Stock Exchange during the period in (2015 to 2020), and the data was collected from the lists published in www.isx-iq.net for the market, where the hypothesis of the study was proved and represented by:

H0: there is no effect in applying disclosure as an accounting standard in limiting the practice of creative accounting at the indicative level of 0.05.

H1: there is an effect in the application of disclosure as an accounting standard in limiting the practice of creative accounting at the indicative level of 0.05.

The Table shows the test results :

Table 16- testing the impact of applying disclosure as an accounting standard in reducing the practice of creative accounting

Prob.	t-Statistic	Std. Error	Coefficient	Variable
0.011	-2.573	11.907	-30.635	C
0.017	-2.407	0.019	-0.045	IFRS
0.505	-0.668	0.100	-0.067	ROA
0.970	-0.037	0.022	-0.001	LOSS
0.719	-0.360	0.024	-0.008	SEO
0.400	0.844	0.002	0.002	MTB
0.113	1.592	0.010	0.015	SIZE
0.242	-1.173	0.048	-0.057	LVE
0.800	-0.254	0.028	-0.007	AGE
0.072	Adjusted R-squared		0.125	R-squared
0.012	Prob(F-statistic)		2.365	F-statistic
2.090	Durbin-Watson			

Source: Prepared by the authors (2023)

Table No. (16) shows through the results of a statistical analysis the significance of a model, where the value of (Prob) (F-statistical) was less than (0.05) and was (0.012), which indicates that the model is valid for testing and its results are reliable, while the value of (Durbin-Watson) reached (2.090), which is greater than the value of (R-squared), which

amounted to (13%), this is explained by the absence of self-correlation and false regression, and as for the (r-squared) value, it was (0.125), which means that the effort to interpret independent changes for a dependent variable is 13%, while the (adjusted R-squared) value was (0.072), which means that independent variables affect a dependent variable by (7%) the remaining (93%) is due to other factors outside the model.

Explanation of the result of the hypothesis (there is an effect in the application of disclosure as an accounting standard in limiting the practice of creative accounting at a significant level of 0.05) :

The results of the statistical analysis showed that the value (Prob) of the independent variable of the application of disclosure as an accounting standard is less than (0.05), where it amounted to (0.017), which indicates that there is a negative moral impact of the application of disclosure as an accounting standard No. 1 on the practice of creative accounting.

This means accepting the hypothesis that (there is an effect in the application of disclosure as an accounting standard in limiting the practice of creative accounting at the indicative level of 0.05) .

CONCLUSION

The research aims demonstrate impact of disclosure as an accounting standard to reduce any manipulation of bank profits, when using creative accounting, and to improve the performance of bank departments, especially senior management, which is the main cause of manipulation in profits, and to indicate the extent of the impact of accounting disclosure as an accounting standard to limit creative practice. The results of the descriptive analysis showed that there was no weakness in the level of disclosure in Iraqi banks , during the study period , and the ratio values indicate a relative convergence between banks, in the items of optional disclosure. And that all the data of the time series used in the study are sTable over time ,because all the probabilistic values of the variables are less than (0.05), which indicates that there is no root of unity, and the time series are sTable. The study points to the need for Iraqi banks to pay attention to enhancing the level of optional disclosure in their financial reports , especially in light of the increasing interest in this type of disclosure , because it has a serious impact on the decisions of various beneficiaries. Guiding Iraqi institutions and banks on the need to comply with the application of International Financial Reporting Standards, in particular focusing on the implementation of disclosure as an accounting standard in all its necessary forms, in order

to avoid manipulation and deliberate errors in the financial and its data, and to make the performance of management of those institutions and banks better than before.

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