



The Role of Forensic Accounting in Detecting and Combating Manipulation through Creative Accounting Practices

Dr. Chebrou Nadhir ^{1*}, Dr. Ghenabzia Yacine², Dr. Djedid Abdelkrim ³.

¹ University Of El Oued (Algeria), chebrou-nadir@univ-eloued.dz

² University Of El Oued (Algeria), ghehabzia-yacine@univ-eloued.dz

³ University Of El Oued (Algeria), djedidabdelkarim81@gmail.com

Citation: Dr. Chebrou Nadhir, et al (2025). The Role of Forensic Accounting in Detecting and Combating Manipulation through Creative Accounting Practices, *Educational Administration: Theory and Practice*, 31(1) 707-715
Doi: 10.53555/kuey.v31i1.9937

ARTICLE INFO

Submitted on: October 20, 2024

Accepted on: January 03, 2025

Published on: January 28, 2025

ABSTRACT

This study aims to examine the role of forensic accounting in uncovering creative accounting practices and enhancing the reliability of financial reports. It investigates the justifications and implications of creative accounting, as well as the role of forensic accounting methods, techniques, and procedures in detecting such practices. This includes the application of post-audit techniques, interactive and continuous auditing, completeness testing, and the enhancement of internal control systems and financial report auditing as tools for identifying creative accounting practices and improving the credibility of financial reporting. The study concludes that greater attention should be given to the field of forensic accounting by incorporating it into the accounting curricula of universities and institutes. This is essential to raise awareness of forensic accounting and to highlight its importance in dispute resolution and litigation. Furthermore, the study recommends the establishment of specialized forensic accounting units within courts. It also finds that applying forensic accounting methods, stages, and procedures significantly increases the likelihood of detecting creative accounting practices and improves the reliability of financial reports.

Keywords: Forensic Accounting, Creative Accounting Practices, Financial Statements.

1. Introduction:

At the beginning of the 21st century, the accounting profession faced numerous challenges, as it was shaken by the collapse of many major international firms due to the corruption of senior management and the failure—or even complicity—of external auditors to uncover these violations and take appropriate professional measures. This situation raised concerns about the effectiveness of accounting standards and the utility of both external and internal control systems in instilling trust and credibility in financial statements, preventing financial irregularities, and detecting them in a timely manner.

Investors, shareholders, and lenders grew increasingly skeptical about the accuracy of financial reports, suspecting fraud and misrepresentation. Many companies deliberately concealed their true performance and embellished the image portrayed by financial statements to present favorable results, whether for the benefit of the company or certain individuals within it. These practices, known as creative accounting, are implemented not by violating accounting principles and standards, but by exploiting the flexibility and choices permitted within them.

As financial crimes, fraud, and manipulation in both the private and public sectors continued to rise—leading to the collapse of major corporations such as Enron—the number of legal disputes increased due to the erosion of credibility in accounting information and the declining trust in the role of auditors. This has resulted in a surge in litigation and the emergence of what is now referred to as forensic accounting.

Thus, the judiciary has an urgent need for expert accountants who can serve as consultants, using their expertise and investigative skills to provide opinions in legal cases related to financial statement fraud and misconduct. Forensic accounting is critical in uncovering and addressing fraud, manipulation, and creative

accounting practices, while also working to prevent such criminal behaviors in the future. Forensic auditing seeks not only to investigate fraud and gather admissible evidence for court proceedings but also to prevent it by identifying and correcting the conditions that enable it.

1.1. Research Problem:

Based on the above, the central research question can be formulated as follows:
What is the role of forensic accounting in detecting and limiting manipulation in financial statements through creative accounting practices ?

1.2. Sub-questions:

The study seeks to answer the following sub-questions:

- What is the concept, importance, and objective of forensic accounting?
- What are the fields of application and methods of forensic accounting?
- What is the concept and rationale behind the emergence of creative accounting?
- How can creative accounting be curtailed through forensic accounting?

1.3. Significance of the Study:

The significance of this research lies in highlighting the effective role of forensic accountants in combating financial manipulation carried out through creative accounting practices. It focuses on the application of accounting, auditing, and investigative skills to identify the causes and key factors leading to such practices and propose procedures to mitigate them. The study also derives its importance from the role of forensic accounting as a preventive, diagnostic, and corrective tool to address the impacts of creative accounting—especially given the opportunistic tactics used by some corporate managers to present favorable business results and financial positions, often at the expense of stakeholders.

1.4. Objectives of the Study:

This study aims to explore the role of forensic accounting in combating manipulation in financial statements by identifying and limiting creative accounting techniques. It further seeks to clarify the concept and functions of forensic accounting in detecting these practices and assess the extent to which its tools and methods contribute to curbing such manipulations.

1.5. Research Methodology:

To comprehensively address the topic, the study adopts a **descriptive analytical methodology**, which is appropriate for exploring the dimensions, practices, and implications of forensic accounting in relation to creative accounting.

2. The Nature of Forensic Accounting

2.1. Definition of Forensic Accounting

Forensic accounting has been defined in multiple ways, including:

It is defined as “the application of accounting principles, theories, controls, and assumptions to legal disputes. It encompasses all branches of accounting knowledge, meaning that forensic accounting consists of two essential components:

- Legal services: recognizing the role of the forensic accountant as an expert or consultant.
- Investigative services: relying on the forensic accountant’s skills in courtroom settings.”* (Nahidh Nimer Mohammed Al-Khalidi, 2014, p. 50)

It has also been defined as:

A field based on a set of integrated specialized skills in accounting, auditing, and investigative expertise. It looks beyond the numbers to provide courts with appropriate accounting analyses grounded in discussion and debate. Forensic accounting is deeper, broader, and more rigorous than external auditing. The main differences include: (Nagwa Ahmed Al-Sisi, 2006, pp. 43–44)

- **Objective:** Forensic accounting aims to identify illegal or suspicious areas that foster fraud, whereas external auditing aims to provide a neutral technical opinion about the truthfulness and fairness of financial statements.
- **Scope:** Forensic accounting is more in-depth but narrower in scope, while external auditing is broader but less detailed.
- **Required skills:** Forensic accounting requires specialized and integrated skills in accounting, auditing, and legal basics, while external auditing mainly requires skills in preparing and presenting financial statements.
- **Methods and procedures:** Forensic accounting is deeper in its methods and procedures, whereas external auditing is relatively superficial in this regard.
- **Legal knowledge:** Forensic accounting necessitates legal knowledge; external auditing does not.

Another definition states:

“Forensic accounting is a branch of accounting that includes providing litigation support and investigative accounting services to courts, businesses, and government entities. Its purpose is to aid in legal judgments and detect and prevent crimes with financial and accounting dimensions, through a system of knowledge and experience in accounting, auditing, law, and information systems, supported by strong personal skills in communication and investigation.”

(Jaafar Othman Al-Sharif Abdulaziz, 2018, p. 4)

It is also defined as:

“Forensic accounting is a combination of auditing and law. Therefore, a forensic accountant must have knowledge and understanding of both auditing and legal matters to perform his duties comprehensively.”

(Manal Naji Saleh, 2018, p. 172)

2.2. Importance of Forensic Accounting

The importance of forensic accounting lies in its wide application across business sectors, particularly in developed countries. Forensic accountants are engaged in several key roles, including: (Mohamed Dafallah Al-Hasan Al-Sayegh, 2019, pp. 58–59)

2.2.1. Business Valuation

Forensic accountants assess the present value of a business for legal purposes or for various stakeholders. Business valuations—whether for legal or other purposes—are frequent in the context of shareholder disputes, company liquidation, or tax-related issues. Forensic accountants are contracted to make precise assessments by collecting accurate financial, contractual, legal, operational, and historical data. These assessments are made using generally accepted valuation techniques.

2.2.2. Professional Negligence Assessment

Forensic accountants assist in determining whether there has been a breach of professional ethics or standards, such as failure to comply with generally accepted auditing standards. They also help measure losses resulting from such breaches.

2.2.3. Dispute Resolution

Forensic accountants are sometimes appointed to help resolve disputes through mediation or alternative solutions that allow individuals or businesses to settle conflicts quickly and with minimal discord.

2.2.4. Fraud and Financial Misconduct Litigation Support

Forensic accountants perform investigations on behalf of law enforcement bodies and prepare reports to support public prosecution. Their education, skills, experience, and training are used to support legal cases. These services are delivered by forensic accountants and fraud examiners, who act as expert witnesses or consultants in both civil litigation and corporate investigations. Their roles include examining damage claims, economic loss, business and asset valuation, among others.

2.2.5. Internal Investigations Related to Fraud

As noted in a report by *Mitchell Patric Group, Kirk*, when information suggests fraud or the possibility of fraud, management or relevant parties (such as the audit committee) must conduct a thorough internal investigation. The goal is to gather facts that support a reasonable assessment of the suspected violation. Management must then decide how to address the issue. Effective internal investigations allow management to confront and resolve fraud-related problems promptly.

2.3 Objectives of Forensic Accounting:

The objectives of forensic accounting can be summarized as follows:

- **Investigating and uncovering fraud** is one of the primary objectives of forensic accounting, including detecting tax evasion and manipulation of accounting records.
- **Verifying alleged claims** made by interested parties. The objective of forensic accounting often depends on the purpose of the assignment, which may involve investigating the existence or absence of fraudulent activity.
(Abeer Bakri Sar Al-Khatim, 2019, p. 489)
- **Identifying high-risk and illegal areas and activities** that enable corruption and fraud, gathering sufficient and relevant evidence, and presenting reports detailing their causes, types, and methods of mitigation.
- **Protecting public funds** from fraud, abuse, and misappropriation.
- **Providing specialized forensic accountants** with integrated knowledge of accounting, auditing, and investigative skills grounded in legal understanding, enabling them to detect and prevent fraud, corruption, and abuse—thus enhancing the effectiveness and efficiency of the forensic accounting function.
(Hossam Hassan Hamash, 2018, p. 216)

- **Supporting litigation**, including collecting and reviewing documents to accept or reject claims, evaluating the case through analytical procedures, examining relevant evidence, and presenting professional opinions.

(Miqdad Ahmed Yahya Al-Jalili, 2012, p. 9)

2.4 Areas of Forensic Accounting:

Forensic accounting is applied in the following areas:

- Investigating fraud and manipulation in financial reporting and presenting admissible evidence.
- Examining and evaluating internal control systems and identifying vulnerabilities exploited for fraudulent purposes.
- Estimating losses for insurance claims.
- Business valuation in disputes requiring assessment of specific contested items over multiple financial periods.
- Comprehensive audits of activities suspected of fraud or corruption.
- Assessing compliance with laws and regulations concerning donations, grants, and government subsidies.
- Evaluating lost profits resulting from missed business opportunities.
- Business valuation during liquidation and determining creditors' rights and repayment priorities.

(Adel Mohamed Mohamed Hassan & Abdelrahman Abdallah Abdelrahman, 2015, pp. 128–129)

2.5 Characteristics of Forensic Accounting:

Effective forensic accounting is characterized by: (Abbas, Teqrārāt, & Tamarabt, 2021, p. 538)

- Specialized education and training;
- Continuous and advanced learning in relevant fields;
- Diverse experience in accounting, auditing, and law;
- Strong oral and written communication skills;
- Practical business experience;
- Ability to work effectively in team environments;
- Human skills and adaptability.

2.6. Forensic Accounting Methods:

Forensic accounting employs methods that are deeper and more investigative than external audit techniques, including:

2.6.1. Interactive Auditing:

Aimed at conducting thorough investigations into suspicious or illegal areas or activities to confirm the presence or absence of fraud, identify responsible individuals, and gather appropriate evidence to support legal proceedings.

2.6.2. Post-Audit Review:

A comprehensive examination conducted from multiple angles, including:

- **Legislative audit:** Evaluates internal controls and ensures protection of assets and other resources.
- **Compliance audit:** Commonly used in governmental audits to ensure adherence to laws and regulations in recording and disbursing government funds.
- **Diagnostic tool:** Used to assess risks arising from fraud, focusing investigations on high-risk areas.
- **Claim investigation:** Involves in-depth examination of complaints and allegations submitted by individuals to regulatory bodies or in court cases. (Nabil Yassin, 2021, pp. 449–450)

2.7. Techniques Used in Forensic Accounting:

Forensic accounting utilizes a variety of tools, including:

- Traditional accounting and auditing techniques;
- Financial analysis methods;
- Interviewing techniques;
- Software tools and digital forensic programs;
- All scientifically accepted courtroom techniques for evidence collection, such as ratio analysis, cash flow analysis, and statistical testing.

In cases involving large volumes of data, forensic accountants apply advanced techniques to retrieve, source, analyze, and organize data using audit software and other digital tools. These enable them to identify asset misappropriation, prove or uncover insurance fraud, detect illegal payments, and more.

Computers are frequently exploited in fraud schemes by corporate staff, which is why forensic accountants must examine the company's IT systems thoroughly to identify fraud indicators. Without proper forensic tools, it is extremely difficult to establish proof. Therefore, forensic accountants rely on specialized software and computer equipment for storing, collecting, analyzing, and documenting evidence. Today, several technologies

exist that allow for the recovery of deleted files, password cracking, and the retrieval and organization of critical data.

3. The Nature of Creative Accounting

3.1. The Concept of Creative Accounting:

Researchers have differed on precisely defining creative accounting, and there is no international consensus or unified opinion on a specific theory governing its practices. Many scholars, specialists, and authors have attempted to offer comprehensive and standardized definitions. Among these, we mention:

- It has been defined as the procedures or steps used to manipulate financial figures in order to deceive users of financial statements, and also as any action toward earnings management or income smoothing. (Mulford, 2002, p. 27)
- Yadav (2014, p. 38) defined it as "the transformation of financial accounting numbers from what they actually are to what the preparer desires, by exploiting existing rules and/or ignoring some or all of them."
- Similarly, it was stated that "creative accounting refers to the use of knowledge to influence disclosed numbers such that, rather than reflecting actual performance or the company's position, they reflect what management wishes stakeholders to perceive." (Zulfiqar Ali Shah Syed, Safdar Butt & Bin Tariq, 2011, p. 531)
- Another definition says: "Creative accounting is the transformation of financial accounting numbers from their actual state to what the preparers desire, by exploiting available rules (or laws) or ignoring some, or both." (Manal Hussein Lafta Saleh, 2016, p. 583)

3.2. Characteristics of Creative Accounting:

Creative accounting is marked by several characteristics, which in turn reflect the traits of a "creative accountant," including:

- The accountant's capacity for imagination and intuition;
- Courage and self-confidence;
- Dependence on scientifically-based instructions rather than those derived from administrative hierarchies; (Mohammed Hammoud Ahmed Saleh Al-Sayaghi, 2018, p. 111)
- It is a form of manipulation and fraud within the accounting profession;
- Creative accounting practices operate within the legal framework by exploiting options among accepted accounting principles, standards, and rules;
- Practitioners often possess high professional accounting skills enabling them to manipulate and transform values as desired;
- These practices alter accounting values into fictitious or misleading values. (Ben Moufki Ali, 2018, p. 73)

3.3. Justifications for the Emergence of Creative Accounting:

Several factors have contributed to the emergence and prevalence of creative accounting practices: (Adel Rizq, 2012, p. 6)

- Conflicting interests among stakeholders including managers, shareholders, employees, tax authorities, and investors;
- Accountants and auditors have the liberty to choose accounting standards, allowing them to exploit weaknesses or flexibilities when preparing financial statements;
- It allows for subjective estimations that implicitly protect management's interests;
- The flexibility in timing financial transactions related to revenues, expenses, assets, and liabilities and their accounting treatment based on standard procedures and rules.

In addition to the above, researchers in accounting literature have identified other reasons driving companies to adopt creative accounting through various studies conducted on such firms.

3.4. Effects of Creative Accounting on Financial Statements:

Here are some manifestations of creative accounting practices and their impacts on financial statements:

- Failing to disclose accrued and bad debts, which inflates profits, current assets, and equity;
- Using management estimates for inventory without proper verification by auditors, leading to profit and asset inflation;
- Including uncertain sales contracts as revenue, thereby overstating sales and profits;
- Recording parts of sales in previous or subsequent periods, distorting results and profits;
- Not eliminating intra-group sales, thus exaggerating revenue figures; (Batoul Mohammed Nouri Majid, 2013, p. 194)
- Misleading shareholders into making poor decisions, such as continuing their investments or exiting prematurely, often influenced by momentary movements in financial markets;
- Misleading creditors by portraying a more favorable financial position than reality, thereby gaining access to loans the company might later fail to repay. (Mohsen Ahmed Al-Khudairi, 2013, p. 32).

3.5. Motivations for Using Creative Accounting:

The motivations behind management's use of creative accounting techniques can be summarized as follows:

3.5.1. Personal Gain:

Personal benefits are one of the main motivations, often achieved in collaboration with external auditors and at the expense of all interested parties—sometimes even harming the national economy and society, as witnessed during the recent financial crises.

3.5.2. Securing or Maintaining Financing:

Companies may use creative accounting to improve their financial performance or position to meet financing requirements set by financial institutions. (Shaker Khalifa, 2015, p. 5)

3.5.3. Influencing Stock Prices:

To enhance market value and increase the stock price of the company in financial markets.

3.5.4. Tax Evasion:

Through reducing profits and revenues and inflating expenses to lower taxable income. (Nadhim Shaalan Jabbar, 2015, p. 244)

3.5.5. Increasing Bank Borrowing:

Since commercial banks rely on specific financial indicators and credit assessments, companies may manipulate these indicators to improve their creditworthiness and secure loans.

3.5.6. Professional Ranking:

To achieve higher professional rankings compared to competitors, particularly those conducted by international rating agencies that rely on periodic financial statements. Companies may manipulate financial data to attain a better classification. (Imad Saleem Al-Agha, 2011, p. 83)

3.5.7. Meeting Required Obligations:

Companies and their managements are often bound by legal, contractual, or competitive requirements necessary for sustaining market share and customer loyalty. When operational and investment conditions hinder meeting these requirements, creative accounting is used to bridge the gap.

3.5.8. Maintaining Liquidity:

When facing liquidity challenges, companies may resort to creative accounting to improve financial reports, thereby securing necessary refinancing from financial institutions under more favorable conditions. (Tijani Belraki, 2012, p. 37)

4. The Role of Forensic Accounting in Reducing Creative Accounting Practices

4.1. Fieldwork Stages in Forensic Accounting

Forensic accounting involves a series of critical stages that form the structure of the forensic accountant's function, beginning with the preliminary understanding of the problem and ending with the provision of evidence and proof that can resolve the dispute. These stages include: (Magdy Mohamed Sami, 2009, p. 147)

4.1.1. Problem Diagnosis and Proper Planning:

The problem-identification stage is fundamental and precedes all others, as resolving any dispute starts with understanding the nature of the problem, its scope, impact, and the motives behind its occurrence—whether due to criminal intent or unintended errors. This understanding guides the forensic accountant toward resolution or dispute settlement.

4.1.2. Collecting Evidence:

This stage is of utmost importance, as the examiner must ensure the credibility and reliability of the evidence gathered during the first phase. If the evidence is reliable, the next step is to understand the problem's dimensions and collect suitable supporting proof. Legally, the sufficiency of this evidence is crucial in resolving disputes.

4.1.3. Evaluating Evidence:

This is a critical phase focused on assessing the evidence and related data before drawing conclusions and preparing the final report. When evaluating indicators of fraud, the forensic accountant must examine physical evidence and circumstantial indicators to assess their adequacy and strength. If the available evidence is lacking, alternative sources must be sought.

4.1.4. Preparing the Final Report:

This final stage involves compiling a comprehensive report that identifies strengths and weaknesses, includes relevant documents and evidence, and refers to the supporting proof collected. The report should be clear, objective, and fact-based, leaving no room for doubt in the client's mind.

4.2. Forensic Accounting Procedures for Uncovering Creative Accounting and Identifying Responsible Parties

These include:

- Conducting interviews with officials from the entity where the corruption occurred to understand key facts and identify parties involved;
- Examining and inspecting case details;
- Conducting a preliminary investigation to enable the forensic accountant to develop a detailed action plan;
- Creating a work plan based on knowledge of the case, defining objectives, and determining the appropriate methodology;
- Collecting relevant evidence based on the case's nature, which may involve locating documents, information, individuals, and using charts and data to explain the case;
- Preparing the final report, which should be written clearly and understandably, based on the evidence collected, and presenting facts objectively to describe the findings and evaluations accurately. (Hossam Hassan Hamish, 2018, p. 264)

4.3. Key Forensic Accounting Mechanisms to Reduce Creative Accounting Practices

According to (Ahmed Hamed Mahmoud Abdel Halim, Nabil Yassin Ahmed, Abeer Abdel Karim Ibrahim Sorour, 2021, p. 468), these include:

- Proper application of forensic accounting procedures and techniques helps reduce creative accounting practices;
- Forensic accountants' analysis of financial information for use in court and legal disputes contributes to limiting creative accounting practices;
- Forensic accounting supports and strengthens the work of internal and external auditors through a complementary relationship that helps minimize creative accounting;
- Forensic accountants' awareness of fraud patterns and predictive models helps detect and reduce such practices;
- The exercise of professional skepticism by forensic accountants aids in uncovering creative accounting practices;
- Providing information on companies' compliance with laws and regulations can curb creative accounting;
- Delivering accurate financial and accounting information that reveals fraud and manipulation in financial reports and fund usage enhances justice and reduces creative accounting practices;
- **Enhancing accounting education programs in universities:** Special forensic accounting courses should be introduced at the undergraduate level, and a specialized professional diploma can be created at the postgraduate level;
- **Conducting training courses** to enhance accountants' skills in the forensic field;
- **Issuing specific forensic accounting standards** to define the duties, rights, qualifications, characteristics, methods, and fraud detection techniques relevant to forensic accountants.

4.4. The Role of Forensic Accounting in Limiting Fraud and Creative Accounting Manipulations

Forensic accounting contributes to the reduction of fraud and manipulation through several functions:

- **Verifying claims raised by involved parties:** The forensic accountant investigates such claims, evaluates the resulting economic damages, calculates compensation amounts, and may appear in court as an expert witness to determine the causes and responsible individuals;
- **Investigating and revealing fraudulent activities:** The forensic accountant reviews documents, records, and accounting books to detect improper accounting practices such as wrongful expense capitalization or overvaluation of inventory items;
- **Providing consultation and preventive advice:** Forensic accountants assist firms by reviewing and modifying financial systems to meet accounting standards and strengthening internal control systems to eliminate weaknesses;
- **Supporting government agencies:** Forensic accountants assist in detecting suspicious financial activities and fraud by analyzing the accounting records and bank accounts of individuals and institutions under suspicion.

(Iman Ahmed Al-Hunaini & Raafat Salama Salama, 2018, p. 90)

5. Conclusion:

Through our discussion on forensic accounting as a mechanism for detecting and confronting manipulation through creative accounting practices, we find that the term "forensic accounting" has emerged as a proposed tool capable of identifying and countering financial fraud and deception. It has become an urgent necessity for exposing institutions engaged in deceptive practices such as fraud and tax evasion. Relying on forensic accounting in Algeria may represent one of the potential solutions to reduce fraud, manipulation, and financial misconduct.

The study concluded that the diversity of forensic accounting methods provides multiple alternatives for examining disputed accounts. Forensic accounting plays a significant role in combating corruption, and adhering to the procedures and techniques that facilitate its implementation within institutions is crucial. The findings also emphasized that forensic accountants must be well-versed in legal concepts, procedures, and regulations, and that forensic accounting requires a combination of accounting skills and investigative expertise. However, its application still faces numerous challenges.

5.1. Study Findings:

From our study, we reached the following conclusions:

- Forensic accounting is one of the most vital and promising professions globally. Forensic accountants are considered the best source for gathering and investigating information, identifying the legal elements of fraud and financial crimes, and determining how to detect and counteract them.
- Forensic accounting involves professional expertise in presenting objective evidence to the relevant authorities in cases under investigation or dispute, guiding decision-making and uncovering manipulation in financial statements.
- A forensic accountant must possess sufficient evidence and the courage to testify in court and assist the judiciary in uncovering and establishing facts. They should also be capable of supporting judges in financial-related cases.
- Forensic accounting aims to analyze and evaluate commercial transactions, investigate and reduce fraud, and develop strategies to prevent financial statement manipulation, while taking into account weaknesses in internal control systems.
- Forensic accounting has become one of the fastest-growing fields within the accounting profession due to the widespread incidence of financial and administrative corruption and the unlawful practices associated with creative accounting, particularly in recent years.
- Many institutions have an increasing need for forensic accounting services to combat the growing corruption and minimize fraud, which has spread like a disease throughout both public and private sector companies.

5.2. Recommendations:

The study resulted in several recommendations:

- Reconsider the training and qualification programs for auditors in accounting and auditing firms to include forensic auditing practices. This should involve acquiring new knowledge and experiences or training in the specific skills and attributes required to become a specialized forensic auditor.
- Authorities should enact laws and regulations governing the forensic accounting profession and collaborate with Algerian universities to include a dedicated forensic accounting course within accounting programs. This would help prepare qualified forensic accountants to work as expert witnesses. Currently, there is a clear shortage of professionals in this field, which is essential for supporting the judiciary with accounting expertise and investigative skills for resolving financial disputes.
- There is a need for legal frameworks that facilitate the detection of creative accounting practices and provide the judiciary with clear guidance, including procedures, activities, evaluation processes, and investigative steps necessary to uncover such practices.
- Awareness campaigns should be launched to clarify the techniques of creative accounting to shareholders, demonstrating the harm these practices cause. This would help reduce and address them through informative messages explaining their risks and methods.

6. References

6.1. Arabic References

- Ahmed Hamed Mahmoud Abdel Halim, Nabil Yassine Ahmed, Abir Abdelkarim Ibrahim Sorour. (2021). The role of forensic accounting in reducing earnings management practices. Arab Universities Journal of Accounting and Auditing, Issue 3.
- Mokdad Ahmed Yahya Al-Jalili. (June 30, 2012). Forensic accounting and its applicability in Iraq. Rafidain Development Journal, Issue 107.
- Imane Ahmed Al-Hunaini, Raafat Salama. (December 30, 2018). The role of forensic accounting in reducing financial fraud in Jordan. Journal of Economics and Human Development, Vol. 9, No. 3.

- Belraay Tijani. (2012). Creative accounting: Concepts and innovative methods to embellish income presentation. *Journal of Economic and Management Sciences*, Setif, Issue 12.
- Batoul Mohammed Noori Majid. (2013). Auditor's challenge of creative accounting practices. *Journal of Management and Economics*, Year 36, Issue 96.
- Ben Moufki Ali. (December 17, 2018). The auditor's role in reducing the impact of creative accounting and its reflection on the reliability of financial statements. *Journal of Business Administration and Economic Studies*, Vol. 5, No. 2.
- Jaafar Othman Al-Sharif Abdelaziz. (2018). External auditors' awareness of the importance of forensic accounting in Sudanese courts. *Journal of Economic and Administrative Sciences*, Issue 1.
- Rayan Ben Abbas, Yazid Taqarrarat, and Zineb Tamarabet. (2021). The role of forensic accounting in limiting creative accounting methods in financial statements. *Journal of Economic Studies and Research in Renewable Energies*, Issue 2.
- Salem Ben Said Baajaja, Mahmoud Al-Badri Shaker Khalifa. (2015). The impact of creative accounting on investment decision-makers in the Saudi capital market. *King Abdulaziz University Journal of Economics and Administration*, Vol. 29, Issue 1.
- Adel Rizq. (2012). Creative accounting between theory and practice and its applicability in banks. *Journal of Financial and Banking Studies*, Vol. 19, No. 2.
- Adel Mohamed Hassan, Abdulrahman Abdullah Abdulrahman. (2015). The role of forensic accounting in reducing creative accounting practices. *AMARABAC - American Arab Academy for Science and Technology Journal*.
- Abir Bakri Sir El-Khatem. (2019). The role of forensic accounting in audit and financial arbitration in Saudi Arabia. *Global Journal of Economics and Business*, Issue 3.
- Abir Abdelkarim, Ahmed Hamed, Nabil Yassine. (2021). The role of forensic accounting in reducing earnings management. *Arab Universities Journal of Accounting and Auditing*.
- Imad Saleem Al-Agha. (2011). The role of corporate governance in reducing the negative impact of creative accounting on data reliability. Master's thesis in Accounting, Al-Azhar University, Gaza, Palestine.
- Magdy Mohamed Sami. (2009). *The role of audit committees in corporate governance and its effect on the quality of published financial statements in the Egyptian business environment*. *Journal of Scientific Research*, Faculty of Commerce, Vol. 46, No. 2.
- Mohsen Ahmed Al-Khudairi. (2013). *Criminal accounting: How to manipulate and use accounting methods for deception* (1st ed.). Cairo, Egypt: Itrak Publishing and Distribution.
- Mohamed Hammoud Ahmed Saleh Al-Sayaghi. (2018). *The role of modern control methods in detecting creative accounting practices and reducing risk*. PhD dissertation in Accounting and Finance, Sudan University of Science and Technology, Khartoum, Sudan.
- Mohamed Dafallah Al-Hassan Al-Sayegh. (2019). *The role of forensic accounting in detecting earnings management practices and enhancing the reliability of financial reports*. PhD dissertation in Accounting and Finance, Sudan University of Science and Technology.
- Manal Hussein Lafta Saleh. (2016). *Using forensic accounting techniques to detect creative accounting practices and their impact on financial statements*. *Dnanir Journal*, Issue 8.
- Manal Naji Saleh. (2018). *The role of forensic accounting in enhancing ethical commitment among accounting and audit professionals*. *Baghdad College of Economic Sciences University Journal*, Issue 55.
- Nadhim Shaalan Jabbar. (2015). *Creative accounting methods and their impact on the reliability of financial data*. *Al-Ghari Journal for Economic and Administrative Sciences*, Vol. 9, No. 32.
- Nahidh Nimer Mohamed Al-Khalidi. (January, 2014). *The role of forensic accounting in confronting creative accounting practices and minimizing their effects on financial statements: Applied study on external auditors and legal professionals in Gaza*. *University of Palestine Journal for Research and Studies*, Issue 6.
- Najwa Ahmed El-Sisi. (2006). *The role of forensic accounting in limiting financial statement fraud – Field study in the Arab Republic of Egypt*. *Scientific Journal of Economics and Commerce*.
- Haitham Sahib Said, Hossam Hassan Hamish. (November 5, 2018). *The effectiveness of forensic accounting procedures in combating financial and administrative corruption – Exploratory study*. *Journal of Management and Economics*, Vol. 41, Issue 117.

6.2. Foreign References

- Brijesh Yadav. (2014). *Creative Accounting: An Empirical Study from Professional Prospective*. *International Journal of Management and Social Sciences Research*.
- Charles W., and Eugene M. Comiskey Mulford. (2002). *The Financial Numbers Game: Detecting Creative Accounting Practices*.
- Yasir, Zulfiqar Ali Shah Syed, Butt Safdar, and Bin Tariq. (2011). *Use or Abuse of Creative Accounting Techniques*. *International Journal of Trade, Economics and Finance*.