

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/365489924>

The role of external auditing in reducing creative cost practical in agricultural businesses

Article · November 2022

DOI: 10.22161/jjeel.1.5.2

CITATIONS

9

READS

150

7 authors, including:



Karkhi Sabah

Lebanese French University

8 PUBLICATIONS 42 CITATIONS

SEE PROFILE



Sanarya Adnan Anwer

Lebanese French University

14 PUBLICATIONS 986 CITATIONS

SEE PROFILE



Ahmed Mohammad

Lebanese French University

5 PUBLICATIONS 32 CITATIONS

SEE PROFILE



Bryar Sami Abdulrahman

Lebanese French University

6 PUBLICATIONS 42 CITATIONS

SEE PROFILE

The role of external auditing in reducing creative cost practical in agricultural businesses

Diyar Abdulmajeed Jamil¹, Karkhi Khalid Sabah², Sanarya Adnan Anwer³,
Ahmed jawhar mohammad⁴, Bryar Sami Abdulrahman⁵, Bayar Gardi⁶, Khowanas
Saeed Qader⁷

¹Department of Accounting, College of Administration and Financial Sciences, Knowledge University, Kirkuk Road, 44001 Erbil, Kurdistan Region, Iraq

²Department of Business Administration, College of Administrations and Economics, Lebanese French University, Erbil, Kurdistan Region, Iraq

³Department of Business Administration, College of Administration and Financial Sciences, Knowledge University, Kirkuk Road, 44001 Erbil, Kurdistan Region, Iraq

⁴Department of legal administration, College of Administration and Economics, Lebanese French University, Erbil, Kurdistan Region, Iraq

⁵Department of Accounting and Finance, College of Administration and Economics, Lebanese French University, Erbil, Kurdistan Region, Iraq

⁶Department of Accounting, College of Administration and Financial Sciences, Knowledge University, Kirkuk Road, 44001 Erbil, Kurdistan Region, Iraq

⁷Department of Accounting and Finance, College of Administrations and Economics, Lebanese French University, Erbil, Kurdistan Region, Iraq

Article Detail:	Abstract
<p><i>Received: 08 Oct 2022;</i> <i>Received in revised form: 06 Nov 2022;</i> <i>Accepted: 10 Nov 2022;</i> <i>Available online: 17 Nov 2022</i></p> <p>©2022 The Author(s). Published by International Journal of English Language, Education and Literature Studies (IJEEL). This is an open access article under the CC BY license (https://creativecommons.org/licenses/by/4.0/).</p> <p>Keywords— Creative cost, External Audit, Financial Statements, Agricultural Businesses</p>	<p>The collapse of the huge international companies around the world increased the interest of provision of appropriate mechanisms which reduce practices that lead to manipulation in financial reports. Most of the research report that these changes in financial statements which are practiced by the administrations of these companies and according to their desires, are behind their companies' sudden collapses, and that is what called the creative cost accounting. A quantitative research method used to measure the current study, moreover, 94 auditors participated in this study. The researcher employed a simple regression analysis to measure the developed three research hypotheses. The findings revealed that the highest value was found to be for first research hypothesis which stated that (There is statistically significant relationship between the general standards of external auditing and creative cost accounting practices in agricultural businesses), moreover the lowest value was found to be for second research hypothesis which stated that (There is statistically significant relationship between the general standards of external auditing and creative cost accounting practices in agricultural businesses) as for third hypothesis was found to be moderate which stated that (There is statistically significant relationship between fieldwork standards for external auditing and creative cost accounting practices in agricultural</p>

businesses). However, the findings demonstrated that the general standards of external auditing have the most effective role in reducing creative cost accounting practices in agricultural businesses.

1. Introduction

Over the centuries, some financial specialists, investors and tenants lost a lot of money, as their choices were made on the basis of data that depended on different types of innovative accounting. Therefore, a great need has arisen to limit these methods and find appropriate answers to this problem. Inspectors add more credibility to monetary data and budget reports. They can play a functional role in reducing the effects of this problem. These appraisers may distinguish these documents from inventive records, as they must have a lot of information about reporting and reviewing appeals. The fundamental problem is not with the capacity of the evaluators but with their morale. Some interested people accept that the examiners' morale is a higher priority than their ability. They accept that when inspectors follow the moral guidelines of their calling, they will be able to play a more meaningful role in distinguishing between different strategies for creative accounting methods, and they will be able to add enough answers to it. practice. negative. Assessors must be able to repeat the test, and they have sufficient information on accounting and auditing standards, but when they do not follow their professional ethics, they will not be able to grant benefits to the test. Overall, and they will not be able to give reasonable answers to the question Since the credit crunch has been shown to lead to an increased risk of unscrupulous behavior and extortion (Saleem, 2019), we see that exploring the auditors' morale to distinguish between acts of inventive accounting is a major problem.

The question of the current revision seems clear. The role of ethical review in the differentiation and elimination of innovation accounting activities is considered more important than the ability of assessors, as the vast majority agree that when examiners have the necessary skills, they can identify and identify themselves. depart from this practice. In this way, the role of examiners should be initiated to better analyze and limit the activities of creative accounting (Ochotorena, 2018).

This study is due to the importance of uncertain results for clients, as some of their choices depended on unfounded financial information. At a time when budget summaries depend on

inventive accounting, the reported salary can be almost higher than the actual one. In addition, innovative accounting can lead to different estimates of resources and liabilities than genuine. The importance of current research grows as we decide on the task that auditors are prepared to perform by identifying the activities of creative accounting. In addition, moral standards are significant, so any invitation is detrimental when a huge number of its experts do not follow the moral guidelines of the invitation. These collapses are an important job for auditors in separating innovative accounting. In addition, these disappointments have had a number of economic and social consequences. The public believes that administrations, bosses, accountants and audit firms are largely capable. Corrupt authorities and CEOs of the accounting request and auditors are fully considered targets that have been considered significant disappointments for these organizations (Al-kake & Ahmed, 2019).

Over the centuries, the world has seen an improvement in the size of the organization's money exercises, from being small foundations with simple exchanges to large companies with huge tasks, which required working with different methods and strategies to guarantee that business owners maintain their reserves and reduce errors. and accounting control. the most significant of these accounting review methods, where it is intended to guarantee respect for the accounting and monetary tasks control and error and consequently guarantee customers to the tax reports for their well-being (Ferri, 2017). Therefore, the idea of innovative accounting has become a concentration and consideration for accountants and auditors in recent years, especially after the collapse of Enron's organizations. This opportunity led to the collapse of one of the world's leading rating agencies (Saliha & Flayyihb, 2020) to demonstrate the contribution of currency controls that have taken place in Enron thanks to some ingenious accounting strategies. Undoubtedly, the use of such practices has a major impact by destabilizing market confidence in the data

contained in budget statements distributed by organizations. Loren Brandt (2009) argues that creative accounting plays an important role in the unexpected collapse of some organizations ten years ago, leading to the disappointment of the accounting call that reached the expected level of this call. However, the inspector's job in pursuing creative accounting is one of the most dubious questions before the recall so far. It can well be said that it is one of the basic techniques that contribute to the supposed hole in desires (Bacha, 2019). Considering the importance of the external sensor part in reducing the risk of inventive accounting, which is reflected in its degree of simplicity, this study aims to evaluate the strategies used by the external sensor to recognize accounting techniques in organizations (Solikhah and Jariyah, 2020).

Previous research recognized six key determinants of innovative accounting: asset ownership, company size, debt/equity ratio, profitability, capital concentration and institutional investors (Muluk & Herianti, 2019). It is not known if these determinants remain constant for Jordanian organizations, so this review will examine the idea of innovative accounting for Jordanian congregational organizations. It considered the degree of anchoring of innovative accounting practices within Jordanian church organizations and who influences these organizations to test creative accounting. As for the effects, he questioned institutional speculators, administrative bodies and corporate administration. In addition, it decided how any anchoring can be handled to help speculators and the organizations themselves. This created the need to build a structure to recognize and mitigate the impact of creative reporting within Jordanian church

organizations. The review began with a Jordanian-centered inventory work investigation, after which a field study was conducted that included interviews with selected respondents from Jordanian organizations and administrative bodies. The survey results revealed that innovative accounting methods are buried in Jordanian organizations, but none of the three disputed meetings has any impact on the ability and willingness to test creative accounting. This exploration provided both hypothetical and reasonable information in the field of knowledge. Given a different view of the understanding of inventive accounting practices in Jordan and extended the current wording here, the survey with information from Jordan is currently sparse. The delivered structure provides assistance to specialists and financial supervisors who are involved in the decision. This review is subjective in light of the fact that it required a well-qualified evaluation of the inventive accounting idea. I have examined another part of the current problems. The issues of inventive accounting have been included in accounting for quite some time, but it has focused on high levels. We have expanded this research to a creative region perspective and added new perspectives by hypothetically looking. This review has created a framework that can be used to discern and mitigate the effect of inventive accounting. This structure is the first of its kind now and has been received by some of the respondents who requested duplication. So in general, this review has provided new information and expanded existing information within the accounts. He made a new arrangement and a view on an issue that has been a problem for the two organizations and the controls (Ahmad & Alrabba, 2017).

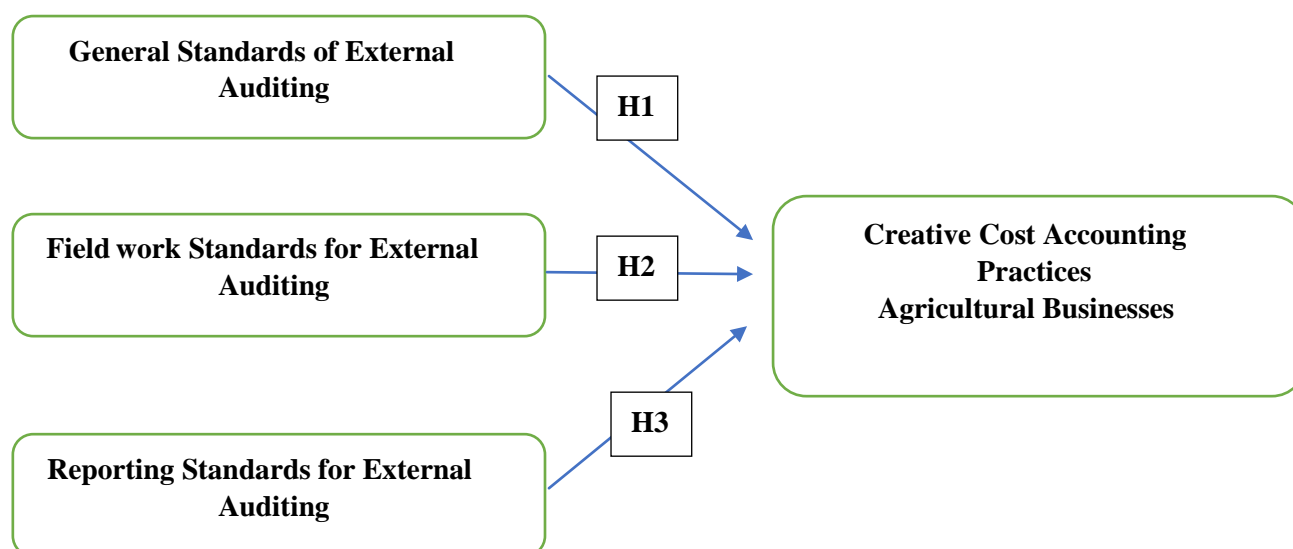


Fig.1: Research Model

The research hypotheses are:

H1: "There is statistically significant relationship between the general standards of external auditing and creative cost accounting practices in agricultural businesses.

H2: "There is statistically significant relationship between fieldwork standards for external auditing and creative cost accounting practices in agricultural businesses.

H3: "There is statistically significant relationship between reporting standards for external auditing and creative cost accounting practices in agricultural businesses.

2. Literature

2.1 Theoretical & Literatures

A large number of academic articles have been written on creative accounting. However, it is openly known that Anglo-Saxons were the first to reveal creative bookkeeping in their writings in the 1970s. Dugar & Gujarathi (2018) wrote about accounting essays in her writings and gave up a rule for certain inventive bookkeeping. Similarly, Khan et al. (2020) concludes that creative accounting is a weapon used in the fundamental circumstances of a company. They also assumed that inventive accounting is not so terrible if the company has some adaptability in its accounting policies. Further claim that it is based more on a company's moral climate that it manages how and why the board arms inventive accounting practices. While some researchers have focused on tracing the murky side of creative accounting,

they rehearse and argue that misfortune generally occurs with regard to the direct exploitation of Enron and WorldCom's inventive representation model. As Argento et al. (2018) have confirmed in their writings that the effort is at risk when you enjoy innovative accounting practices. Because these practices offer a fixed benefit only temporarily.

Agricultural businesses will no doubt be surrounded by embarrassment. So there is actually a need for a narrow administration to the monetary announcement. Lastly, it is assumed that the administration must try to discover all these causes that can encourage innovative accounting practices. Supervisors and inspectors play an important part in every business. Towards the end, the leader receives awards for presenting the organization. Managing close to the examiner can reduce the chances of applying creative accounting. Solgi et al. (2019) find that the inclusion of outside chefs could undermine innovative accounting practices. In addition, the greater the number of external clients, the less inventive the accounting repetitions. They further said that the contribution of experts in the choice of financial partners can create confidence in the business. Finally, it was assumed that qualified accounting organizations could help to use adequately innovative accounting strategies. He further recommended that corporate governance be the ideal approach to reduce these practices. Kim et al. (2019) argue that the moral acts of creative accounting are present, there are fundamental to

external reviewers to help develop their skills and accuracy to find a false demonstration. It is difficult for individuals to distinguish between inventive accounting and misrepresentation, but not to an external appraiser, it is important to have the ability to separate small hairline contrasts between the two. External examiners could take care of the work to see if it was extortion or a financial mistake that was causing difficulties. To prevent future extortion from occurring, the auditor must discover the technique of the wrong individual in order to lead them to the best for the company, without excluding controllers who play a significant role in to give best direction. and the data to help their work. Thu et al. (2018), Journal of Economic Literature arrangement: Creative accounting is important for inspectors or committee to achieve this, it gives organizations the ability to control things in a desired way, but the training is not satisfactory from ethical point of view. The government or concerned specialists found a way to protect organizations from such practices, but the effort was not good. There are many budget summaries clients who are not familiar with inventive accounting or executive recruitment and therefore the board has the flexibility to compile the books as they wish. Looking at the survey conducted by Oriol and Catherine, one can assume that there is no satisfactory answer to the question of inventive accounting. However, by making changes to accounting principles, we can control practices a bit, for example by reducing the amount of decisions in the financial statements and determining techniques to continue under explicit circumstances. Jewalikar & Shelke, (2017), "Accounting Manipulations: A Review of the Literature and a Proposed Conceptual Framework": This article presents the issue of control and characterizes accounting controls in different ways and expresses that controls are based on the objective to enter it. There is no right method to remove such inappropriate behavior from the cadre, but by advancing moral perspectives in the corporate world, the chances of such practices may be limited. The significant explanation expressed by researchers for accounting controls is the cost to the organization and the difference in ratings and destinations between supervisors and owners. Owners stock the organization with long-term sustainability and productivity, but the leader's

goal varies while maintaining additional business benefits (Antal, 2020).

The contribution of supervisors in management exercises can be taken out exactly when they can relate their relationship to their efforts. The ethical thinking and attention of speculators about financial and accounting policies can help reduce management exercises. Khan & Subhan, (2019), 'How and why credit rating agencies dislike different custodians': Credit bureaus serve partners in speculative elections. Due to the fact that full co-operation on the study of fiscal summaries and meetings, including meetings, are independent, financial experts believe that the information or data is reliable. For now, speculators have begun to review the valuation methodology of the rating agency and firmly believe that valuation should not be the only way to select a company. Thus, a close domestic addition will be an explanation for the loss of confidence in the CRAs assessment framework. Under current circumstances, the CRA needs to dominate the market to restore confidence. Hunde & Bayu, (2020), Adoption and Accounting Quality: A Review" The University of Colorado at Boulder, approved a paper plan stating that accounting management and imaginative handling of documents is proving to be the norm today and has been demonstrated. significant for government agencies to step up quickly. Despite the fact that the standards set out in are similar to standards, the publication of the principles has some implications in this framework.

Li, (2020), The Self-Management of Business Managers Act: A Comparative Review ": Self-governing stock exchanges should not be consistently treated as negative, the expectations behind the stock market and its effects on the ability to Long-term support and productivity in businessprovide transparency and to create a moral climate in the corporate world. As well as the restrictions that can be imposed on trade and organizations. , autonomous exchanges are treated differently in different countries and there are many countries where autonomous exchanges are not limited or excluded and it is recognized thatThese problems can exist if the case is called to illustrate investors and can not be completely eliminated.

Chedid & Chaya, (2020), explained that the Indian market has never been overwhelmed by

any developed economy for a few years back, as the number of speculators and broad market participants is constantly driving a market with a wide range of economies ahead of them. However, the security of speculators in their market declined, forcing players to withdraw their money and find an alternative method to contribute. In-depth investigations of the conditions in the Indian market, as reported in the newspaper, it was later seen that selection decisions available within an accounting framework and adaptability given in the office guidelines were the significant explanation for account controls. In addition, critical dynamic and subjective elements provided an unjustifiably preferred position for the board to shape data in the ideal way. Last but not least, office costs and contrasts in the selection or assessment of board members and investors convinced managers to check things according to the ideal results.

Farris o. fl. (2020), the impact of the survey on the profits of executives among companies with unusual monetary performance. *Journal of Accounting and Public Policy*: The results indicated in the paper that there was a high probability of accounting management in Enron's financial reports for quite some time before bankruptcy. He also revealed that the regulator hid much of the available data that could have led leading analysts, modern speculators and executives to review Enron's performance and deduct the cost of shares. Fang, (2019), 'Affiliates' Efforts on Corporate Reporting: A Survey of World Bank Relations and the Australian Minerals Industry ', *Accounting, Associations and Society: Business Announcements are an Important Reality of Business Voting and There are Affiliates' Effective Guidelines follows*. Hu o. fl. (2018) 'Business Ethics and Organizational Change', *Journal of Managerial Audit*: There is little evidence that recent developments in recognized ethics have had a major impact on hierarchical actions. This was also the meaning of the debate on social obligations in the 1960s - a debate in which current business practices are as close. The point here is that business ethics and social commitments have failed to 'take root' in light of:

- A. They remained confused and insecure.
- B. Businesses do not have the systems or the interest in choosing them.

Consequently, no morality or obligation entered the minds of associations. Experts have misjudged this and do so in light of the fact that the weight of discussions in the field of business ethics encompasses the brokerage leadership that describes much of the historical context of the way we think about morality.

- C. Davila & Ditillo, (2017), " The relationship between wage equalization, annual valuation and profit ratios on Kazakhstan's shares " *Asian Journal of Finance and Accounting*: This is an observational document showing the relationship between personal expenses and wage equalization tests. Speculation tests in this document confirm that there is a large link between the two which is the available payment and the proponents of equalization similar to those who do not follow the equalization and Parvez also closes that there is a critical link between share productivity and equalization, temporary benefit.

Like McMurray, and others. (2018) explains in depth the complete control effect. According to them, the control of registrars can affect the cost of the offer and its capital market climate as a company. Full scale control increases the risk of speculation, which can cause misfortune. They recommended that an organization respecting the flight clause of the administrative and administrative elections should be based on a genuine monetary report. Corporate management plays an urgent role in the monetary dynamics of any association. Corporate management serves as the primary administration that oversees and oversees organizational execution.

According to McMurray, et al. (2018) corporate management work, everything is based on association structure, managers and their administrative cooperation. In this way, the entire planned review structure prevents practice from achieving innovative accounts. Therefore, group management is the most ideal approach to control the dishonest actions with innovative accounting. In the same way as Shields, et al. (2018) clarify the relationship between corporate management and inventive accounting, as they maintain a solid relationship with the organization's hypothesis. According to the survey

report, clashes between boss and owner can be the subject of creative accounting attempts. Since the leaders make the decision to protect their inclinations instead of the owners.

As stated in Kordsachia, (2020), the central administration has a preferred position to tease its shares in such a request that they may apply the alternative first and then discover the information. As shown by research conducted by Tunji and others. (2020) is an immediate link between the CEO and the remuneration for investment opportunities and the processing of meetings, given the situation of enormous controls by CEOs over investment opportunities, which in the Board's remuneration an acceptable monetary presentation of an organization is extremely important. The higher the benefit, the higher they are compensated as supervisors. Moral helps advisory aspiring directors what is right and what is happening to them. Following the right morale, you will be involved outside of a crisis. In any case, in the current state, the correct morality means what is right from an individual point of view. This will be the ideal wrong approach to thinking about experts as well as cultural customs. Ghadhab and others. (2019) conducted a survey of assembly companies in Nigeria. They assumed that monetary detail information had an effect on administrative and business dynamics. They also expressed that high simplicity is intended to keep them away from corporate misrepresentation. Al Momani and Hawashe, (2019) examined how much a reviewer is morally fit to recognize innovative accounting practices. And further discover how much an inspector's morale can influence the actions of creative accounting.

2.2 A Brief History of External Audit

The review reveals the gradual progress in the capacity for individual intentional action to work generally required by the state in a coordinated and experienced manner. The review work evolved from the ability to fundamentally confirm events and actual material, for example in the English Treasury, to ensure that reports are reliable with strategies and exposure (Karim, et al. 2017). Anthropologists have uncovered records of review actions back to the early Babylonian time frame. The beginning of the current revision is due to the increase in the advanced organization at the beginning of the mechanical upheaval. The progress of speculative money to organizations and the overall distribution of

monetary assets through the financial exchanges depends to a large extent on reports arranged by the Board of Directors. This cycle is simple and the appraiser is tasked with providing accurate data on the decency of monetary reports (Sadiq, et al. 2019).

The Audit is a deliberate and coordinated cycle to gather and evaluate dissatisfied relevant evidence on financial methodology and opportunities to confirm the consistency between these explicit statements and measures and to communicate the results to intrigued clients (Salehi, et al. 2020). Speckbacher, (2017) considers assessment as accounting and estimation of evidence of information to determine and cover the level of agreement between the data and to establish standards to be completed by a competent and free person. The Review Association is a coordinated and intentional cycle to collect and evaluate objectively applicable evidence about financial methodology and capabilities to confirm the level of correlation between these claims and explicit means and to deliver the results to interested clients (Salehi, et al. 2020).

2.3 Definition of Auditing

An audit is a process designed to gather evidence that is objectively related to the results of operations and financial events in order to determine the compatibility and consistency of those results with established criteria and to inform the parties involved (Saleh et al. 2019). In the preceding days, at any time that there is a suspected misrepresentation in a business association, the owner of the company will set up an individual to review the records and hear the respondent's explanations about the account. The individual is currently classified as an 'inspector' and the undertakings to monitor and hear are currently called 'judges'. According to Zalata, et al. (2020), a famous author, can inspect if intentionally characterized, to explain the definition of Montgomery, examine a cycle of social event and evaluate the evidence of the quantifiable information of a record or business record to report do about the applicability in between. information with the regulatory standard. The cycle is performed with an individual who has information in an accounting and valuation zone. The person is called an analyst. Classifications of external assessments are arranged according to the abilities isolated according to classes, but the creator will only limit them to a free revision, e. g. The review of

fiscal reports is also known as monetary review. It is a control of the budget summaries of a legal substance for the purpose of communicating a rating review (Ali, 2018).

The inspiration beyond the financial auditing is to provide a careful confirmation that the budget summaries are indeed implemented, in all material considerations, and to give a valid and reasonable view in the sense of the monetary detailed design work. (Skoda, et al. 2017). To be clear, evaluating budget reports is the way to decide whether all fiscal summaries of an association, declared, meet a particular standard or not. This is a cycle to check the degree of reliability of the reported budget collection. The main proclamation concerning the monetary review is active reporting, salary statement, articulation of income and going with references. Money review is usually done by a fixed sample accountant who is a money specialist. A functional review will inspect the internal frameworks and techniques of an organization used to deliver their goods and stores offered to buyers. It also tests creative tasks on productivity and fitness (Tue, 2018).

The effective indication can be led by internal workers or external inspectors with sufficient information in the region. The operational overview usually provides a more in-depth study of the organization's activities than the monetary overview. The motivation behind the industry review is to improve work process or cost designation measures and faster response times. Operational review can be seen as the cycle of inspecting and measuring the degree of power and effectiveness of an activity to discover the best approach to improve the performance of that activity.

A functional review also checks the system and technique of any device within an association to quantify the actual performance of that device as well as suggest an answer to improve it. For example, a functional review may inspect the degree of productivity of a compensatory compensation programming introduced late in an association. The Functional Review recognizes the guidelines for quantifiability depending on each activity. There is no broad standard. The choice of standard is completed by the reviewer and generally abstract. A functional review can be performed by internal and external examiners, and the inspected association is the one that

benefits from the benefits of the functional review (Ibrahim, 2017). Constant review is a comprehensive check of true attachment. Attempts are made to indicate whether a company follows the special arrangements or standards and guidelines related to movement or practice. What exactly is analyzed in a consistent review will depend on whether an association is a public or private company, and what information it handles, and possibly whether it sends or stores sensitive monetary information. An audit review analyzes the degree of principal law, arrangements or the standard of an association exercise. The standard used in a consistent review is the explanations related to the association, such as accusation, rule, law, and strategy. These requirements are usually given by the public authority. A constant review is usually conducted by external examiners and state evaluators, and it fulfills the position (Eriandani, et al. 2020).

2.4 External Auditing

In the previous days, whenever there is a suspicion of a misrepresentation in a trade association, the business owner will raise a person to check the records and hear the clarifications given by the person responsible for that account. This person is currently classified as an "inspector" and the monitoring and hearing obligations are currently called "investigation". According to Zalata et al. (2020), an outstanding author, the inspection can be characterized as intentional, to clarify Montgomery's definition, the review is a cycle of social event and estimation of evidence regarding quantifiable information about a recording or a commercial register to reflect the adjustment between this information and the settlement standard. The cycle is run by a person who has information in both the accounting area and the evaluation area, this person is called "assessor. The classification of the external audits is organized according to capacity isolated in the classes, but the creator limits them to free review only. also known as monetary review. This is a control of budget overviews of a legal subject for the purpose of communicating an evaluation (Ali, 2018).

The inspiration about the financial audit is to give a careful confirmation that the budget summaries are indeed implemented, in all material considerations, and to give a valid and reasonable view in the sense of the monetary detailed design work. (Skoda, et al. 2017). To be

clear, evaluating budget reports is the way to decide whether all fiscal summaries of an association, declared, meet a particular standard or not. This is a cycle to check the degree of reliability of the reported budget collection. The main proclamation concerning the monetary review is active reporting, salary statement, articulation of income and going with references. Money review is usually done by a fixed sample accountant who is a money specialist. A functional review will inspect the internal frameworks and techniques of an organization used to deliver their goods and stores offered to buyers. It also tests creative tasks on productivity and fitness (Tue, 2018). A functional review could be conducted by internal workers or external inspectors with appropriate information in the region. A functional review usually provides a deeper overview of organizational activities than a monetary review.

The motivation behind the functional review is to improve the work process or the resource for naming costs and faster editing times. Functional review can be seen as the cycle of checking and measuring the degree of power and efficiency of an activity to discover the best approach to improve the illumination of that activity. A functional review also checks the system and technology for each unit in an association to quantify the actual performance of that unit and also proposes a response to improve it. For example, a functional review may inspect the degree of productivity of a compensatory compensation program that is later introduced in an association. The Functional Review recognizes the guidelines for quantifiability depending on the activity. There is no broad standard. The choice of standard is finalized by the reviewer and generally abstracted. A functional review can be done by internal and external examiners and the tested association is the one that benefits from the benefits of the functional review (Ibrahim, 2017). Constant review is an extensive check of real club. An attempt is made to state whether a company follows specific arrangements (eg a binding agreement), or the standards and guidelines relating to movement or practice. What exactly is analyzed in a consistent assessment depends on whether an association is a public or private company and what information it processes and possibly whether it sends or stores sensitive monetary information. An audit review analyzes the degree of the

principal, arrangements or standard of the executive of an association. The standard used in a consistent review is the statements related to the association, for example accusation, rule, law and strategy. These claims are usually made by the public authority. A constant review is usually done by external examiners and government evaluators and it fulfills the position (Eriandani, et al. 2020).

Audit review is a fundamental item in the time when responsibility for public money has been used and provides an important obligation for the management of public assets and corporate governance (Bhasin, 2016). External examiners are freely delegated by the association being assessed, and the scope of their work is reminiscent of the announcement of the financial reports and also covers an incentive for cash review and direct public activities. Summaries of budgets determine whether the tax summary of a substance is introduced correctly. The evaluation cycle should be managed in such a way that it receives the establishment principles to guarantee the quality of the review and the assessment of the inspector or other judgment that identifies with the correspondence level with established models. A definite goal to inspect is to guarantee responsibility for public property (Karim, et al. 2017).

The inspector will evaluate the files and in all cases ensure that the files are placed in accordance with the instructions and will also comply with the criteria of any relevant legal arrangement for the files; that lawful practices have been found in the archives; that the institution, which is assessed by records, has taken lawful measures to ensure the economy, productivity and adequate use of property and that the party, in the distant possibility that it is necessary to redistribute the field during the implementation, has made game plans to collect, record and distribute such data (Sadiq, et al. 2019).

The auditor adheres to the audit code. To meet these specific legal obligations and powers, Delegated Inspectors must carry out their work in accordance with the Audit Code. This testifies to the best practice of experts in terms of the principles, strategies and methods that the selected inspectors should receive (Salehi et al. 2020). When reviewing financial reports, appointed external inspectors should adhere to

the current standards of auditing as reflected in the adoption of the Code: the auditors should agree to assess the principles currently in force and it may be revised from time to time and other relevant ones Adhere to the guidelines and advice of the Audit Committee, including those developed by the evaluators and comparable to the proclamations of the internal control audited entities. The auditors must also accept the ethical standards of the PDB currently in power, which may change from time to time.

The Audit Committee delegates examiners to all close experts to ensure that the judges are completely autonomous and considered free (Speckbacher, 2017). A person who is not an officer of the Commission's officers, and any other person appointed, must be duly qualified. The Commission may also delegate individuals to assist the designated inspector. The Commission normally appoints examiners for an underlying period of five years, which can be extended. The consistency of the arrangements enables the judges to add great value and knowledge, which consequently offers benefits to the inspected bodies. However, it is also essential to prepare for an exceptionally close relationship between the inspected bodies and their external examiners (Hao, et al. 2018). Subsequently, the Commission, in accordance with the moral guidelines for adjudicators offered by the Board for Free Auditing Practice, requires at least once at regular intervals. In addition, the Commission changes the judges from time to time from one supplier to another to provide a new position and strengthen the review. This is done not only to guarantee autonomy, but also to ensure a high esteem for the cash review (Braswell and Daniels, 2017).

Audit review is a basic article during the time-consuming responsibility for public money and makes an important commitment to the management of public assets in the corporate government of public administrations (Bhasin, 2016). External examiners are freely delegated by the association and the scope of their work is reminiscent of the announcement of fiscal reports and also covers an incentive for cash review in direct public business. Budget summary reviews determine whether the financial summaries of a substance are properly implemented. The evaluation cycle should be guided in such a way as to establish establishment principles to ensure

quality review and to identify the assessment of the inspector or other judgment with the level of correspondence with established models. A definite goal to control is to guarantee the responsibility of public property (Karim, et al. 2017).

An examiner who evaluates the recordings and will in any case ensure that the recordings are made in accordance with the guidelines, also in accordance with the preconditions of any other statutory provision relevant to the recordings; that legitimate practices have been complied with in compiling the records; that the body whose records are being assessed has taken legitimate steps to ensure the economy, productivity and adequacy of its use of assets, and that in the event that it would be necessary to distribute an execution case, it developed game plans to collect, record and distribute them; data (Sadiq, et al. 2019).

The auditor adheres to the code of conduct for verification. In order to fulfill these particular legal duties and powers, Delegated Inspectors must carry out their work according to the Code of Auditing Practice. This speaks in favor of best practices from experts in terms of principles, strategies and methodologies that selected inspectors will receive (Salehi et al. 2020). When conducting reviews of financial reports, appointed external inspectors must also adhere to the current standards of auditing as reflected in the approval of the Code: The auditors must adhere to the current valuation principles and as follows may be reviewed from time to time and certain other relevant instructions and Follow the advice of the Audit Committee, including the reports prepared by the evaluators, comparable to the proclamations of the internal control bodies examined. The evaluators must also agree to the ethical standards of the currently incumbent APB, which may be changed from time to time. The examination board delegates examiners to all close experts to ensure that the evaluators are completely autonomous and are considered free (Speckbacher, 2017). Any person who is not an official of the Commission and any other person who is appointed must be appropriately qualified. The Commission may also delegate individuals to assist the designated inspector. The Commission normally appoints auditors for an underlying period of five years, which can be extended. The coherence of the regulations enables the

evaluators to create a high added value and a high level of knowledge, which is advantageous for the inspected sites. However, it is also imperative to prepare for too close a connection between the inspected bodies and their external auditors (Hao et al. 2018). Subsequently, in accordance with the moral guidelines for evaluators provided by the Free Audit Practice Board, the commission requires a difference in engagement management in each case once at regular intervals. In addition, the Commission will from time to time switch auditors from one provider to another in order to take a new position and strengthen the audit. This is not only done to ensure autonomy, but also to ensure a high appreciation for the cash verification (Braswell and Daniels, 2017).

3. Methodology

A quantitative research method used to measure the current study, moreover, 94 auditors participated in this study. The researcher employed a simple regression analysis to measure the developed three

research hypotheses. The study used random sampling methods to cover and provide equal opportunities to all auditors to participate in the current study. In order to measure the relationship between external auditing in reducing creative cost practical, the study selected several agricultural businesses in Kurdistan.

4. Analysis

Demographic analysis

Table (1) shows the accountants' background statistics participated in the present study, the results demonstrated that 68 male accountants participated in the present study on the other hand 26 female accountants, though the findings revealed that the majority of male accountants participated in this study. Regarding accountants' level of education, the results revealed that 20 accountants had diploma certificate, 35 accountants had bachelor's degree, 34 accountants had master's degree, 3 accountants had PhD degree and 2 accountants had other degree than listed above.

Table 1: Demographic analysis

No	Items	Scales	Frequency	Percent
1	Gender	Male	68	72.3
		Female	26	27.7
2	Age	20-29	12	12.8
		30-39	33	35.1
		40-49	17	18.1
		50-59	20	21.3
		60-69	12	12.8
3	Education	Diploma	20	21.3
		Bachelor	35	37.2
		Master	34	36.2
		PhD	3	3.2
		Other	2	2.1
		Total	94	100

Reliability analysis

For the purpose of items reliability, the author applied reliability statistics to examine the reliabilities, however the results showed that the Cronbach alpha's value for (General Standards of External Auditing) was

.791 for nine questions, the Cronbach alpha's value for (Fieldwork Standards for External Auditing) was .765 for eight questions, the Cronbach alpha's value for (Reporting Standards for External Auditing) was .746 for nine questions, and the Cronbach alpha's value for

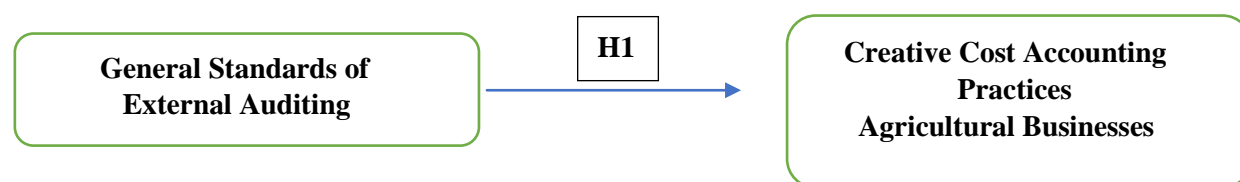
(Creative Cost Accounting Practices Agricultural Businesses) was .756 for ten questions, however the results proved that all variables and questions used to

measure this study were reliable since all Cronbach alpha's value were higher than 0.7.

Table 2: Reliability analysis

No	Variables	Cronbach alpha	No of items
1	General Standards of External Auditing	9	.791
2	Fieldwork Standards for External Auditing	8	.765
3	Reporting Standards for External Auditing	9	.746
4	Creative Cost Accounting Practices	10	.756
	Agricultural Businesses		

5. Results



H1: There is statistically significant relationship between the general standards of external auditing and creative cost accounting practices in agricultural businesses.

Table 3: Correlations- Hypothesis 1

Correlations			
		General Standards of External Auditing	Creative Cost Accounting Practices
General Standards of External Auditing	Pearson Correlation	1	.709**
	Sig. (2-tailed)		.000
	N	94	94
Creative Cost Accounting Practices	Pearson Correlation	.709**	1
	Sig. (2-tailed)	.000	
	N	94	353

** . Correlation is significant at the 0.01 level (2-tailed).

The above table shows the correlation between the general standards of external auditing and creative cost accounting practices in agricultural businesses, the result showed that the value of correlation is .709**

this demonstrates that there is a positive and significant correlation between the general standards of external auditing and creative cost accounting practices in agricultural businesses.

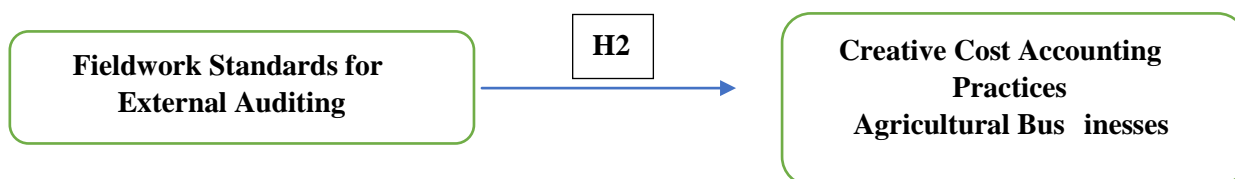
Table 4: Coefficients- Hypothesis 1

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.487	.188		2.584	.010

General Standards of External Auditing	.905	.048	.709	18.785	.000
a. Dependent Variable: Creative Cost Accounting Practices					

The author applied a simple regression analysis to examine first hypothesis which stated that (There is statistically significant relationship between the general standards of external auditing and creative

cost accounting practices in agricultural businesses). The value B was found to be (.905) which is higher than .005 with P value of .000, indicated that the first hypothesis is supported.



H2: There is statistically significant relationship between the general standards of external auditing and creative cost accounting practices in agricultural businesses.

Table 5: Correlation-Hypothesis 2

Correlations			
		General Standards of External Auditing	Creative Cost Accounting Practices
General Standards of External Auditing	Pearson Correlation	1	.470**
	Sig. (2-tailed)		.000
	N	94	94
Creative Cost Accounting Practices	Pearson Correlation	.470**	1
	Sig. (2-tailed)	.000	
	N	94	353

** . Correlation is significant at the 0.01 level (2-tailed).

The above table demonstrates the correlation between the general standards of external auditing and creative cost accounting practices in agricultural businesses, the result shows that the value of

correlation is .470** this proves that there is a positive and significant correlation between the general standards of external auditing and creative cost accounting practices in agricultural businesses.

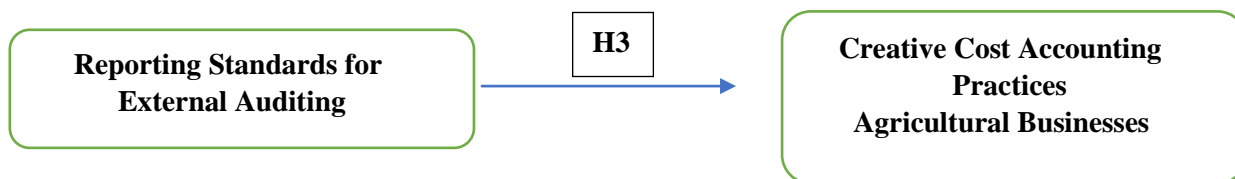
Table 6: Coefficients-Hypothesis 2

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	2.555	.148		17.250	.000
	General Standards of External Auditing	.379	.038	.470	9.949	.000
a. Dependent Variable: Creative Cost Accounting Practices						

The author applied a simple regression analysis to examine second hypothesis which stated that (There is statistically significant relationship between the general standards of external auditing and

creative cost accounting practices in agricultural businesses). The value B was found to be (.379) which is higher than .005 with P value of .000, indicated that the second hypothesis is supported.



H3: There is statistically significant relationship between fieldwork standards for external auditing and creative cost accounting practices in agricultural businesses.

Table 7: Correlation- Hypothesis 3

Correlations			
		Fieldwork Standards for External Auditing	Creative Cost Accounting Practices
Fieldwork Standards for External Auditing	Pearson Correlation	1	.589**
	Sig. (2-tailed)		.000
	N	353	353
Creative Cost Accounting Practices	Pearson Correlation	.589**	1
	Sig. (2-tailed)	.000	
	N	353	353

** . Correlation is significant at the 0.01 level (2-tailed).

The above table shows the correlation between fieldwork standards for external auditing and creative cost accounting practices in agricultural businesses, it shows the value of correlation is .589** this proves that

there is a positive and significant correlation between fieldwork standards for external auditing and creative cost accounting practices in agricultural businesses.

Table 8: Coefficients- Hypothesis 3

Coefficients					
Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
1	(Constant)	1.137	.207	5.481	.000

Fieldwork Standards for External Auditing	.724	.053	.589	13.661	.000
a. Dependent Variable: Creative Cost Accounting Practices					

The author applied a simple regression analysis to examine third hypothesis which stated that (There is statistically significant relationship between fieldwork standards for external auditing and creative cost accounting practices in agricultural businesses). The value B was found to be (.724) which is higher than .005 with P value of .000, indicated that the third hypothesis is supported.

6. Conclusion

The study aimed to investigate the role of external auditing in reducing creative cost practices in Agricultural businesses in Almaty. The largest number of sample members of the study see that the availability of appropriate academic qualification and professionalism plays a key role with the external auditor to perform the audit. Valuation and adequate examination the assists auditor to detection of fraud and misinformation in the financial statements. The external auditor has the fieldwork standards and the possibilities of the economic unit to do its work. The external auditor has all the standards for preparing the report, which helps to obtain good results. The adoption of economic institutions to the practices of creative accounting was one of the reasons for the collapse of many international companies. The researcher employed a simple regression analysis to measure the developed three research hypotheses. The findings revealed that the highest value was found to be for first research hypothesis which stated that (There is statistically significant relationship between the general standards of external auditing and creative cost accounting practices in agricultural businesses), moreover the lowest value was found to be for second research hypothesis which stated that (There is statistically significant relationship between the general standards of external auditing and creative cost accounting practices in agricultural businesses) as for third hypothesis was found to be moderate which stated that (There is statistically significant relationship between fieldwork standards for external auditing and creative cost accounting practices in agricultural businesses). However, the findings demonstrated that the general standards of external

auditing have the most effective role in reducing creative cost accounting practices in agricultural businesses.

References

- [1] Li, F. (2018). Research Method Innovation of College Students' Ideological and Political Education Based on Cognitive Neuroscience. *Neuro Quantology*, 16(5), 1-12
- [2] Dmitrienko, S. V., Fomin, I. V., Domenyuk, D. A., Kondratyuk, A. A., & Subbotin, R. S. (2019). Enhancement of research method for spatial location of temporomandibular elements and maxillary and mandibular medial incisors. *Archiv EuroMedica*, 9(1), 38-44.
- [3] Eden, C., & Ackermann, F. (2018). Theory into practice, practice to theory: Action research in method development. *European Journal of Operational Research*, 271(3), 1145-1155.
- [4] Techataweewan, W., & Prasertsin, U. (2018). Development of digital literacy indicators for Thai undergraduate students using mixed method research. *Kasetsart Journal of Social Sciences*, 39(2), 215-221.
- [5] Wang, Z., Du, W., Wang, J., Zhou, J., Han, X., Zhang, Z., & Huang, L. (2019). Research and application of improved adaptive MOMEDA fault diagnosis method. *Measurement*, 140, 63-75.
- [6] Naderifar, M., Goli, H., & Ghaljaie, F. (2017). Snowball sampling: A purposeful method of sampling in qualitative research. *Strides in Development of Medical Education*, 14(3), 1-6.
- [7] Aithal, P. S. (2017). An Effective Method of Developing Business Case Studies based on Company Analysis. *International Journal of Engineering Research and Modern Education (IJERME)*, ISSN (Online), 2455-4200.
- [8] Christensen, M., Welch, A., & Barr, J. (2017). Husserlian Descriptive Phenomenology: A review of intentionality, reduction and the natural attitude. *Journal of Nursing Education and Practice*, 7(8), 113-118.
- [9] Al-kake, F. A. K., & Ahmed, D. M. (2019). The role of the Sarbanes-Oxley Act (Sox) in reducing agency costs exploratory study of a sample of auditors in the Kurdistan Region of Iraq. *Qalaai Zanist Journal*, 4(2), 637-673.

- [10] Ali, O. A. (2018). The Effect of Disclosure of Intellectual Capital Components on the Market Price of Shares in Jordanian Industrial Companies: An Empirical Study. *International Journal of Economics and Financial Issues*, 8(5), 156.
- [11] Antal, M. (2020). A “parasite market”: A competitive market of energy price comparison websites reduces consumer welfare. *Energy Policy*, 111228.
- [12] Aoun, M., & Alaaraj, H. (2019). Balancing Hospital's Financials through Implementing Cost of Quality Models. *Journal of Accounting and Finance in Emerging Economies*, 5(2), 197-202.
- [13] Argento, D., Umans, T., Håkansson, P., & Johansson, A. (2018). Reliance on the internal auditors' work: experiences of Swedish external auditors. *Journal of Management Control*, 29(3), 295-325.
- [14] Bacha, S. (2019). Corporate Governance Practices and Audit Quality: Do They Matter for the Cost of Debt?. *Theoretical Economics Letters*, 9(07), 2262.
- [15] Barnett, A. G., Zardo, P., & Graves, N. (2018). Randomly auditing research labs could be an affordable way to improve research quality: A simulation study. *PLoS One*, 13(4), e0195613.
- [16] Barrios, S., d'Andria, D., & Gesualdo, M. (2020). Reducing tax compliance costs through corporate tax base harmonization in the European Union. *Journal of International Accounting, Auditing and Taxation*, 41, 100355.
- [17] Bhasin, M. L. (2016). Unethical Creative Accounting Culture at Satyam Computers Limited: A Case Study of India's Enron. *International Journal of Business and Social Research*, 6(7), 24-48.
- [18] Braswell, M., & Daniels, R. B. (2017). Alternative earnings management techniques: What audit committees and internal auditors should know. *Journal of Corporate Accounting & Finance*, 28(2), 45-54.
- [19] Burkart, C., Wakolbinger, T., & Toyasaki, F. (2018). Funds allocation in NPOs: the role of administrative cost ratios. *Central European journal of operations research*, 26(2), 307-330.
- [20] Carter, H. E., Winch, S., Barnett, A. G., Parker, M., Gallois, C., Willmott, L., ... & Close, E. (2017). Incidence, duration and cost of futile treatment in end-of-life hospital admissions to three Australian public-sector tertiary hospitals: a retrospective multicentre cohort study. *BMJ open*, 7(10), e017661.
- [21] Carter, H. E., Winch, S., Barnett, A. G., Parker, M., Gallois, C., Willmott, L., ... & Close, E. (2017). Incidence, duration and cost of futile treatment in end-of-life hospital admissions to three Australian public-sector tertiary hospitals: a retrospective multicentre cohort study. *BMJ open*, 7(10), e017661.
- [22] Chedid, O., & Chaya, J. (2020). The role of internal auditors to implement IFRS9: Case of Lebanese banks. *Journal of Economics and International Finance*, 12(1), 6-19.
- [23] Chen, Z., Pan, J., Wang, L., & Shen, X. (2016). Disclosure of government financial information and the cost of local government's debt financing—Empirical evidence from provincial investment bonds for urban construction. *China Journal of Accounting Research*, 9(3), 191-206.
- [24] Chen, Z., Pan, J., Wang, L., & Shen, X. (2016). Disclosure of government financial information and the cost of local government's debt financing—Empirical evidence from provincial investment bonds for urban construction. *China Journal of Accounting Research*, 9(3), 191-206.
- [25] Chiaroni, D., Chiesa, V., Franzò, S., Frattini, F., & Latilla, V. M. (2017). Overcoming internal barriers to industrial energy efficiency through energy audit: a case study of a large manufacturing company in the home appliances industry. *Clean Technologies and Environmental Policy*, 19(4), 1031-1046.
- [26] Dang, C. T., & Owens, T. (2020). Does transparency come at the cost of charitable services? Evidence from investigating British charities. *Journal of Economic Behavior & Organization*, 172, 314-343.