

Article

The Role Of Forensic Accounting In Detecting Financial Fraud And Its Impact On External Auditing

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Abstract: The research aims to demonstrate the impact of judicial accounting on financial fraud operations and its impact on the external audit process. For the purpose of achieving the research objectives, 120 questionnaire forms were distributed to employees of the Supreme Judicial Council and its affiliated bodies. The research reached several conclusions, the most important of which are It was found that there is a statistically significant effect of forensic accounting on financial fraud, there is a statistically significant effect of financial fraud on external auditing, and there is a statistically significant effect of forensic accounting on external auditing.

Keywords: *Forensic accounting, financial fraud, external audit*

1. Introduction

Due to the recent rise in corporate fraud cases around the world, forensic accounting has come up for discussion among stakeholders in a number of different organizations. Despite being in operation since the 19th century, forensic accounting was never well-known until the fall of large, international companies like Enron and the introduction of laws like Sarbanes-Oxley, which raised the demand for forensic accounting services. (Ismaila , et.al. , 2023 : 265)

The foundation of this research is a deep understanding of forensic accounting, a unique area of accounting focused on identifying and combating financial crimes. The foundation for examining financial crimes, including fraud, money laundering, corruption, and policy violations, is set by accounting standards and audit techniques. In forensic accounting, a thorough investigation is conducted in addition to the collection and analysis of financial data. To find fraud or manipulation, forensic accountants thoroughly review financial documents, transactions, and corporate policies. More precisely, financial investigations are carried out by forensic accountants to find questionable behavior patterns. They collaborate closely with law enforcement and security agencies to gather information that may be utilized in court. In relation to the planning and execution of robust financial controls and risk mitigation strategies, forensic accounting also has a preventative function. Although forensic accounting frequently deals with criminal prosecutions or court cases, it is not necessarily the most useful tool in financial crime investigations. In certain situations, forensic accountants can offer expert testimony in court or offer financial-related legal advice. (Nursansiwi , 2024 : 111)

Modern technology and the globalization of finance have led to sophisticated kinds of fraud, requiring advanced detection techniques. As the first line of defense against financial misconduct, forensic accounting offers a methodical and thorough strategy to locating, looking into, and stopping fraudulent activity. The proficiency of forensic accountants is crucial in surmounting the intricacies of financial transactions and identifying trends that suggest fraudulent activity. (Odeyemi , et.al. , 2024 : 203)

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To identify financial fraud, stop economic crimes, and give reliable financial data for court cases, forensic accounting is essential. Its significance is only increasing as businesses and law enforcement realize how important it is to have experts committed to lowering financial fraud. All things considered, forensic accounting is essential for identifying financial fraud, guarding against economic crimes, and supplying precise financial data for court cases. Organizations and law enforcement agencies are realizing the need for committed specialists to properly investigate and reduce financial fraud, which is why its significance is only increasing. (Nadaf , 2023 : 153)

Since fraud is intimately linked to both the audit process and the accounting cycle, accounting and auditing skills are vital for auditors in their line of work. Other critical abilities are also required in order to identify fraud, including the ability to communicate with audit objects, fraudsters, and victims. In addition, the ability to conduct investigations is required to verify that fraud took place. With the legal knowledge or expertise required to assess the legal risks of a case, auditors search documents for signs of fraud. Furthermore, in order to comprehend crimes, psychological issues, and crime prevention strategies, auditors also require criminological and psychiatric knowledge. Finally, auditors must possess adequate ICT-related abilities to stay up to date with advances in science and technology. (Fadilah , et.al. , 2019 : 169)

This study aims to explain the role of forensic accounting in interpreting financial transactions that are affected by financial fraud, and then explain the role of the external auditor in detecting fraudulent operations in companies. The research consists of the following hypotheses:

H1: there is no statistically significant effect between forensic accounting and financial fraud.

H2: there is no statistically significant effect between forensic accounting and external auditing.

H3: there is no statistically significant effect between financial fraud and external audit.

THEORETICAL REVIEW

1. Forensic accounting

History of forensic accounting

The science of accounting has always included forensic accounting. Rather, the majority of evidence points to a long history of its existence. According to the majority of research, it has been around since 1817 AD. Due to the bankruptcy case of Meyer v. Sifton, which obliged the court to appoint an accountant to look into the matter and submit a declaration before the court, many appeals and initiatives subsequently emerged that emphasize the need to create accounting and bookkeeping data by linking accounting and law on the one hand, and the requirements of the judiciary for forensic accounting services. On the other hand. This new idea is not the same as external auditing, which is performed by audit firms or an official government agency, or chartered accounting. Certified accountants and public accountants in the private sector. Judges use the information produced by forensic accounting to inform their decisions when ruling against interested parties. Forensic accounting has witnessed many developments over the years: (Al-Waridi , et.al. , 2023 : 4-5)

Over Time, forensic accounting has gone through different stages of development. The following figure shows the stages of development of forensic accounting.(Hammad & Baladi, 2023 : 15)

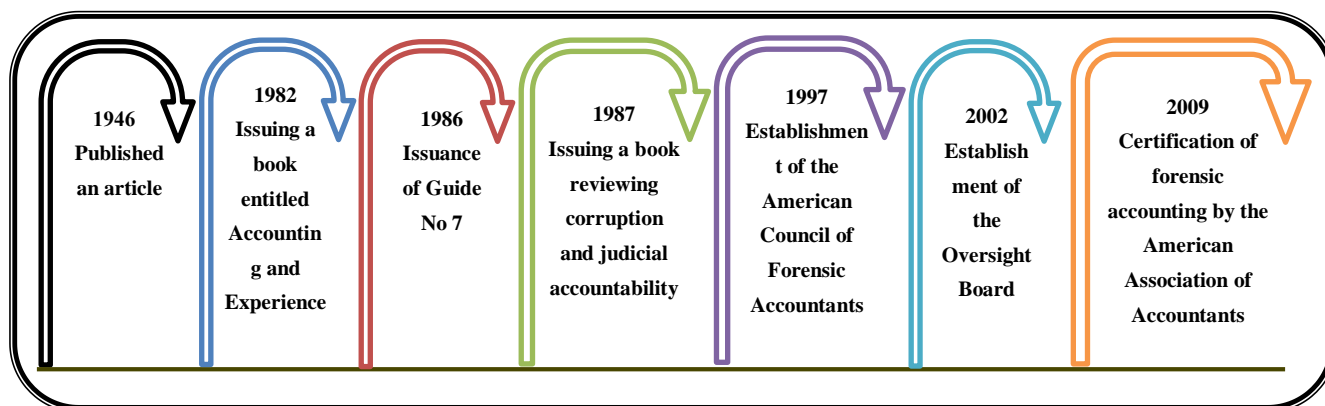


Figure (1) History of forensic accounting

The concept of forensic accounting

Due to the wide range of tasks performed by forensic accountants and differences in working conditions across countries and economic units, there is no specific definition of forensic accounting. (Oyedokun , 2022 : 1)

Forensic accounting, according to the American Society of Certified Public Accountants, is a set of tasks that help establish an integrated procedure for conducting a judicial investigation, such as creating an expert report or witness statement and perhaps testifying as an expert in court. (Akinbowale , et.al. , 2022 : 1253)

Using their specialized knowledge in accounting and auditing and their ability to conduct investigations based on knowledge of rules and regulations, forensic accountants are trained in the field of accounting which aims to graduate forensic accountants with a sufficiently high level of academic and practical qualification to support lawsuits and assist the judiciary in administering justice and clarifying the truth. (Al-Enezi , et.al. , 2024 : 193)

In order to support state agencies and institutions in their efforts to combat corruption, economic crimes, and financial violations, as well as identify those responsible and protect the economy and national security, this new branch of accounting relies on the integration of accounting, auditing, law, criminology, information technology, and investigative skills. (Yousry , 2023 : 26)

Justifications for using forensic accounting

Below is a summary of the main arguments supporting the growing demand for forensic accounting. (Al-Shammari & Abbas , 2024 : 467)

1. The reliability and integrity of financial reports and statements declined as a result of the spread of false accounting information, which damaged confidence in them and harmed the interests of lenders, investors, and society as a whole.
2. The unexpected decline and failure of many companies, forcing concerned parties to look for ways to prevent these things from happening in the future.
3. When it comes to appointing auditors, the economic unit often colludes, undermining the independence of auditors.
4. The clear diversity in financial roles and the accompanying increase in some cases of financial and administrative corruption within companies.
5. Demand for forensic accounting services is increasing as a result of increasing court performance standards, rapid economic growth, declining efficiency and limitations on internal and external audit procedures.

Forensic accounting departments

Below are the most important categories of basic forensic accounting sections: (Nour & Al-Ghaban , 2022 : 33)

The initial type: investigative bookkeeping in order to organize some of the expected judicial financial work methods and distribute tasks between the accountant and the judicial expert, which includes the investigator, document examiner, judge, engineer, and consultant. Investigative accounting focuses on following up on the current, realistic, and

actual situation. This allows the accountant to monitor the preservation of corporate assets and return them when legal disputes arise.

The other type is called legal accounting. The following tasks may determine judicial issues.

1. It helps in investigating and discovering the supporting documents needed to win the financial case.
2. After reviewing the case and its supporting documents, a preliminary evaluation and forensic diagnosis is conducted to determine the pros and cons of the case.
3. Ask specific questions of the parties involved in the financial dispute in order to collect objective and comprehensive financial evidence.
4. Review and review the court expert's report for more conclusive evidence.
5. Attend the court at the appointed hour so that the interrogation can be conducted and the judge can make a decision.

2. Financial fraud

Fraud concept

Financial fraud is one of the most difficult and complex topics that occupy people's minds, as it occupies a large part of the concerns of people and organizations around the world. But it seems that the less wealthy developing countries are most negatively affected by it. Although financial fraud is a widespread problem affecting many businesses, nonprofit organizations appear to be more vulnerable to its harmful effects and high risks. As a result, fraud should be avoided or reduced. Effective and decisive proactive steps are necessary in both cases to prevent fraud from occurring in the first place. Because fraud detection involves detecting fraudulent activity once it is carried out, it occurs after attempts to avoid it have failed. (Aqah & Al Sharabi , 2024 : 276)

Because almost all fraud involves illegally taking control of another person's money in one way or another, financial fraud is one of the broadest and most encompassing categories. On the other hand, there are several forms of direct or indirect banknote fraud. Stores, exchange offices and kiosks can benefit from this technology. Exchanging counterfeit money for real money in a bundle of banknotes – essentially real on top and bottom, or counterfeit or standard paper in the middle – is the simplest and most common type of fraud. Another word used is “shortage,” where several notes are stolen from a particular bundle of money. Trying to steal money from an ATM that has a sensor that reads personal data is another way fraud can occur. (LA , et.al. , 2024 : 70)

Financial fraud describes companies that use cashouts and Ponzi schemes, among other dishonest methods, to take advantage of investors. Financial fraud becomes easier when there are a lot of financially “illiterate” investors because these people are more likely to be attracted to investments that sound too good to be true. (Gui , et.al. , 2024 : 1)

The intentional distortion of the truth with the aim of deceiving or manipulating an individual or company, leading to serious financial difficulties and eventual insolvency, is referred to in law as fraud. It is when a person deceives another person with the aim of harming him or depriving him of something, knowing full well that he is doing so. Or exploitation of the victim or fraud that results in loss or damage (Jarallah & Al-Sayed , 2022 : 97)

Intentional behavior is defined by one or more persons by management, officers, employees or other parties, which involves the use of deception to obtain an unfair or illegal benefit, is considered fraud under ISA 240. (IFAC, 2010: 240)

Characteristics of financial fraud

Financial fraud has many characteristics, the most important of which are the following (Al-Jubouri & Muhammad , 2013 : 345-355)

1. There is no difference between fraud and theft. The crime of fraud is basically taking other people's money by fraud with the aim of obtaining the rightful owner. To be more precise, fraud is the basic element of fraud.

2. There are important differences to make between financial attacks and other crimes, such as theft, fraud and breach of trust. While financial attacks are similar to these crimes in that they involve the illegal taking of another person's property with the goal of becoming the rightful owner, fraud takes a different approach by handing over stolen funds against the victim's will. Money out of conviction is the opposite of theft and breach of trust when it occurs against the victim's will because, at the time of the theft, he or she was not aware that the money had been taken.
3. Money is always the target of fraud, whether directly or indirectly, and the money must be owned by someone. Anyone who deceives others in order to collect money is not considered to have committed fraud. A premeditated crime, or a deliberate attempt to scam someone, is when a scam artist tricks someone out of their money without realizing the true nature of the scam. Others.
4. The victim's or authorized person's money is turned over to the offender or another person authorized by the offender, or the offender is allowed to keep the money, all with the victim's cooperation.
5. Corporate legal persons can be a source of fraud and be liable for any illegal activity carried out by one of its members or agents acting on its behalf.

3. External audit

Date of external audit

The human need to ensure that the accounting data that he uses in making choices is accurate and that the data are consistent with reality is what led to the emergence of the external audit profession. Historical records show that the governments of ancient Egypt and Greece used auditors to verify public accounts, and this is where this necessity first emerged. In the past, the auditor would evaluate the accuracy of entries made in books and records by listening to them. Thus, we discover that the Latin verb "audre," which means "to listen," is the source of the English word "auditing." This is based on the observation that hearing is the essential element in the auditing process. (Azouz , 2023 : 11-12)

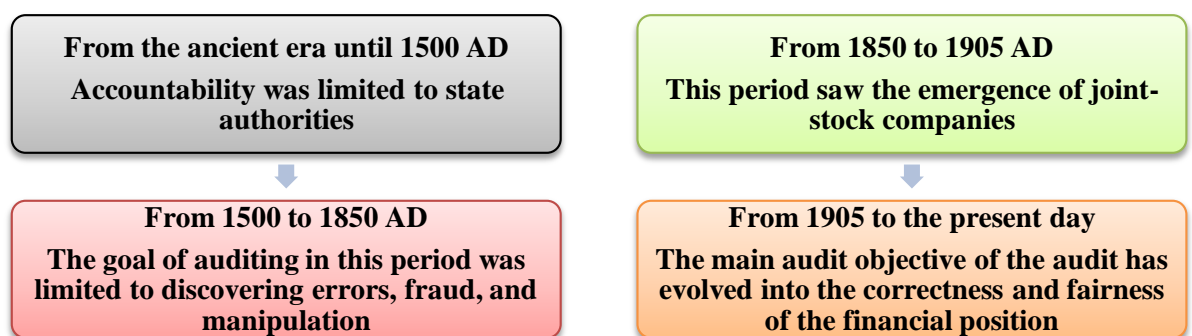


Figure (2) External audit history

Definition of external audit

The increasing necessity of scrutiny has led to a shift in the way people view it. As a type of control, it has evolved with the necessities of life, especially those related to the economy. In the social, legal, financial and economic fields, auditing has attracted much attention. Regardless of the type of organization, auditing is a profession. This is due to its function in maintaining the safety and security of the organization's finances and supporting it when making various decisions. An audit benefits the organization and all internal stakeholders as well as the many external parties that interact with the organization. (Zangari , 2023 : 6)

This type of audit is known as an independent or impartial audit, and it involves a technical examination of documents that prove transactions in books and records, in addition to a systematic critical examination of internal control systems to verify and confirm the validity of financial transaction movements during two specific dates and

ensure their implementation within established procedures. In order for the independent auditor to be satisfied with the accuracy and fairness of the business results and financial position prepared by the economic unit and then provide an unbiased technical report to the internal authorities and various societal groups, the accounting directives must be correct and in line with generally accepted accounting rules and principles. (Mostafai , 2022 : 6)

One definition of an external audit is the primary, unbiased and independent tool used to review financial accounts. Conversely, external audit, in its sophisticated, contemporary and comprehensive sense, is nothing more than a system designed to provide an unbiased assessment of the reports, processes and procedures related to protecting the assets of the organization subject to audit. (Farhi & Boukreta , 2022 : 10)

Types of external audit

There are three types of audits, which we will talk about here: (Farhi & Boukreta , 2022 : 12)

1. Mandatory audit: The audit that the law requires to be carried out by an auditor on economic institutions.
2. Contractual or voluntary audits: conducted by a person at the request of internal or external parties in the organization.
3. Expertise in the legal system: carried out by a qualified person at the request of the court. The most important differences between the judicial expertise and contractual review required will be covered in the table below.

The importance of external audit

Given the importance of external auditing in companies, it is crucial for the reasons mentioned below (Al-Moumani & Al-Tahrawi , 2022 : 12-13)

1. Board members and management: The primary goal of the auditor's job is to collect data so that they can evaluate reporting procedures for complex financial operations, perform audits, and make recommendations that will affect the future course of the organization.
2. In order to hold management and employees responsible and make decisions regarding raising, decreasing, or maintaining the current investment ratio, shareholders search for facts.
3. Government agencies: For a variety of tasks, such as tracking economic activity, formulating state economic policies, or enacting taxes, some state agencies rely on data from organizations that have been approved by an independent auditor.
4. The information is required by the legal system to evaluate the financial position of the organization for the purposes of lawsuits and bankruptcy cases and to evaluate necessary assets.
5. Creditors: In order to determine the financial position and ability to fulfill the obligation, creditors rely on the auditor's report to analyze the financial statements. They are interested in information that can tell them whether their loans, plus interest, will be repaid on time.
6. Employees: An external audit has multiple benefits for employees, including providing them with information about the organization's stability and profitability. They are urged to be cautious and give their task full attention when they realize that it will be audited and controlled by an outside party. Errors will be reduced or will not occur at all thanks to external auditing. However, if the external auditor discovers fundamental defects and reports them to management without making the necessary corrections, the external auditor must note this in his report and provide clarification with his opinion.
7. The remaining excluded users act as community representatives. Beneficiaries include any individual or entity affected by the choices made by the organization being audited. The community that benefits from an organization's financial statements and the external auditor's report is larger the larger the

organization and the greater its capital, especially if the organization When there are multiple nationalities involved, the external auditor is given additional authority as they are viewed as a cohesive group. A unit that can be trusted in decision making.

2. Materials and Methods

A questionnaire was prepared for the purpose of collecting all information for the research by distributing the research to employees of the Supreme Judicial Council and its affiliated bodies to search for their views to collect the results of the information that was presented later. The information collection will be divided using (SPSS) to conduct measurable analyses. 120 questionnaire forms were distributed and the following tables show the answers to the opinions of the research sample.

Table (1) Descriptive Statistics

Statistics						
Variables	Mean	Std. Deviation	Variance	Skewness	Kurtosis	Cronbach's Alpha
FA1	4.37	0.798	0.638	-1.165	0.801	0.72
FA2	4.50	0.565	0.319	-0.568	-0.694	
FA3	4.37	0.798	0.638	-1.165	0.801	
FA4	4.07	0.775	0.601	-0.557	0.015	
FA5	4.17	0.585	0.342	-0.038	-0.222	
FA6	4.37	0.607	0.369	-0.388	-0.647	
FA7	4.17	0.781	0.611	-0.302	-1.298	
FF1	4.33	0.599	0.359	-0.283	-0.633	0.65
FF2	4.03	0.798	0.638	-0.463	-0.312	
FF3	4.10	0.874	0.763	-0.505	-0.796	
FF4	4.23	0.959	0.920	-1.183	0.452	
FF5	4.30	0.643	0.413	-0.370	-0.684	
FF6	3.47	1.152	1.327	0.083	-1.428	
FF7	4.17	0.781	0.611	-0.732	0.219	
EA1	4.13	0.849	0.722	-0.594	-0.539	0.75
EA2	3.90	0.793	0.629	-0.230	-0.524	
EA3	4.13	0.766	0.587	-0.232	-1.256	
EA4	4.07	0.817	0.668	-0.500	-0.414	
EA5	4.10	0.874	0.763	-0.505	-0.796	
EA6	4.17	0.781	0.611	-0.732	0.219	

This table was committed to estimating the degree of things of study aspects, the typical appropriation of information, and the dependability addressed by the autonomous variable (Forensic accounting) and the Dependent variable (External audit) And the mediating variable (Financial fraud) in view of a few measurable strategies, including mean, standard deviation, Skewness, Kurtosis, and Cronbach's alpha.

The results in the above table indicate that there are items of dimensions of the dependent and independent Mediating variables with reference to the means, whose value was higher than (3), as well as the standard deviation value is acceptable, and the

distribution is normal through the value of (Skewness and Kurtosis) was between (3) and (-3), and the value of Cronbach's alpha for reliability is acceptable being higher than (0.65). Hypothesis testing

Testing and analysing how the study variables affect each other:

H1: There is no statistically significant effect between forensic accounting and financial fraud, and the hypothesis test can be shown in the table (2) , (3) , (4).

Table (2)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.580 ^a	.336	.331	.39453
a. Predictors: (Constant), FA				
b. Dependent Variable: FF				

The model summary table above shows that the correlation value (R) between the variables reached 0.580, which is a very strong value, and that the coefficient of determination, R Square, reached 0.336, which represents the "explanatory power" of the model used. That is, the independent variable (forensic accounting) is explained What is the value of (33.6%) of the mediating variable (financial fraud), and the standard deviation of the estimation error (Std. Error of the Estimate) was 0.394, which is a very low number. The lower this type of error, the better it is from a statistical standpoint.

Table (3)

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.304	1	9.304	59.773	.000 ^b
Residual	18.367	118	.156		
Total	27.671	119			
a. Dependent Variable: FF					
b. Predictors: (Constant), FA					

The table above shows the variance above the anova that the calculated value of F was 59.773, which is greater than its tabular value calculated according to the degrees of freedom df (1,118), which is 3.92 at the significance level of 5%. The level of significance of the test Sig reached 0.000, which is less than the value of the acceptable error in the social sciences and the specified Advance by 0.05, which indicates the suitability of the statistical model used to test the hypothesis.

Table (4)

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.346	.357		3.774	.000
FA	.640	.083	.580	7.731	.000
a. Dependent Variable: FF					

The table of regression function coefficients Coefficients shows that the value of the constant of the regression equation reached 1.346, and the value of the slope of the regression equation reached 0.580, which shows the effect of the independent variable on the variable variable (via coefficient B), and the positive value of the coefficient indicates that there is a direct effect between the independent variables and the mediator, or in the phrase Other than that, any increase in the independent variable (forensic accounting) by

one degree leads to an increase of 58% in the intermediate variable (financial fraud). It is also noted from the table above that the significance level of the T-statistic for the independent variable reached 0.00, which is much less than the acceptable error in science. Social and predetermined by 0.05. This means that the sample data has provided convincing evidence to reject the null hypothesis and accept the alternative hypothesis to prove the effect statistically, and thus that there is a statistically significant, direct (positive) effect of judicial accounting on financial fraud.

The following figure displays the frequency histogram, which shows the normal distribution of statistical residuals

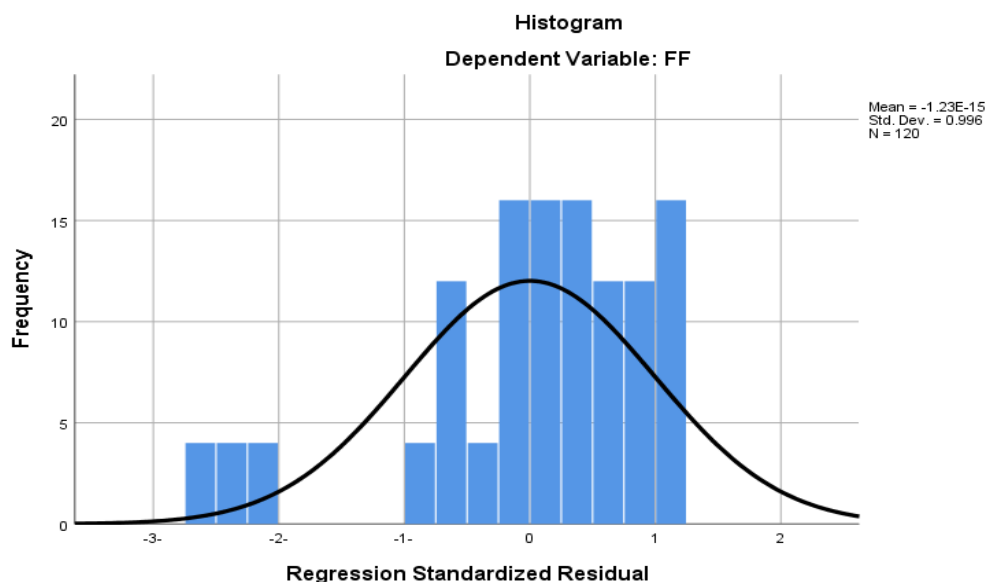


Figure (3)

The following figure shows that the conditions for the regression analysis test are met in a graphic form, which shows the distribution of points around the straight line. This proves that the statistical residuals follow a normal distribution.

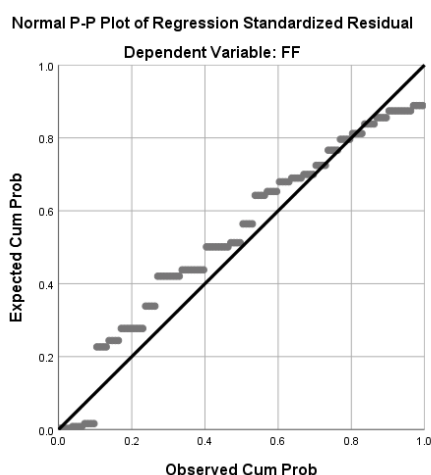


Figure (4)

H2 : There is no statistically significant effect between financial fraud and external audit , and the table (5) , (6) , (7) shows the hypothesis test

Table (5)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.855 ^a	.732	.729	.28411
a. Predictors: (Constant), FF				
b. Dependent Variable: EA				

The model summary table above shows that the correlation value (R) between the variables reached 0.885, which is a very strong value, and the coefficient of determination, R Square, reached 0.732, which represents the “explanatory power” of the model used. That is, the mediating variable (financial fraud) explains the value of 73.2%. From the variance occurring in the dependent variable (external audit), the standard deviation of the error of the estimate (Std Error of the Estimate) was 0.284, which is a very low number, and the lower this type of error is, the better it is from a statistical standpoint.

Table (6)

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.975	1	25.975	321.795	.000 ^b
	Residual	9.525	118	.081		
	Total	35.500	119			
a. Dependent Variable: EA						
b. Predictors: (Constant), FF						

The table above shows the variance above the anova that the calculated value of F was 321.795, which is greater than its tabular value calculated according to the degrees of freedom df (1,118), which is 3.92 at the significance level of 5%. The level of significance of the test Sig reached 0.000, which is less than the value of the acceptable error in the social sciences and the specified Advance by 0.05, which indicates the suitability of the statistical model used to test the hypothesis.

Table (7)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.120	.222		.540	.590
	FF	.969	.054	.855	17.939	.000
a. Dependent Variable: EA						

The table of regression function coefficients Coefficients shows that the value of the constant of the regression equation reached 0.120, and the value of the slope of the regression equation reached 0.855, which shows the effect of the mediating variable on the dependent variable (via coefficient B), and the positive value of the coefficient indicates that there is a direct effect between the mediating and dependent variables, or in words Other than that, any increase in the intermediate variable (financial fraud) by one degree leads to an increase of 85.5% in the dependent variable (external audit). It is also noted from the table above that the level of significance of the T-statistic for the intermediate variable reached 0.00, which is much less than the acceptable error in science. Social and predetermined by 0.05. This means that the sample data has provided convincing evidence to reject the null hypothesis and accept the alternative hypothesis to prove the effect statistically, and thus that there is a statistically significant, direct (positive) effect of financial fraud in external auditing.

The following figure displays the frequency histogram, which shows the normal distribution of statistical residuals

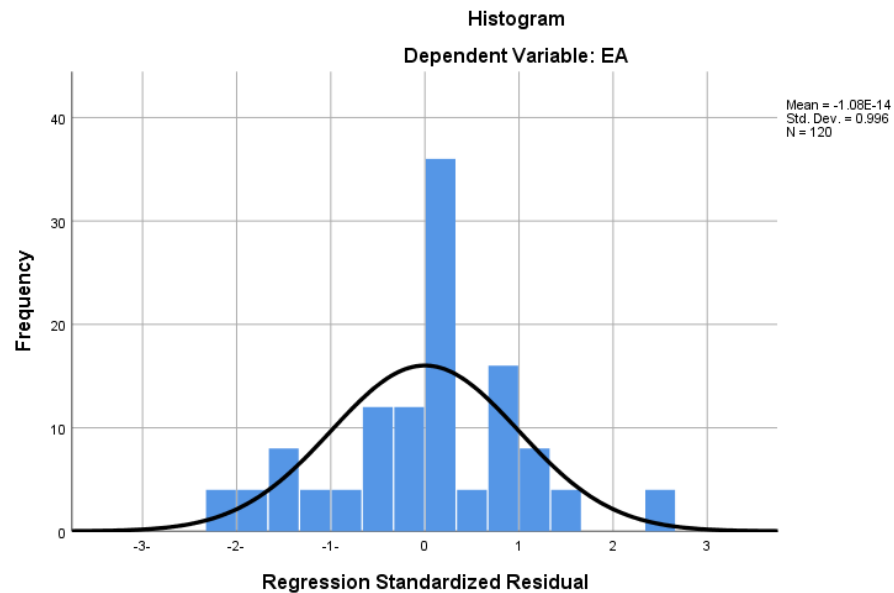


Figure (5)

The following figure shows that the conditions for the regression analysis test are met in a graphic form, which shows the distribution of points around the straight line. This proves that the statistical residuals follow a normal distribution.

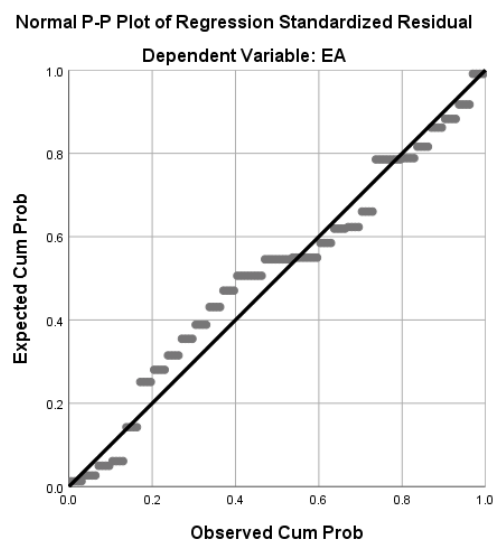


Figure (6)

H3: There is no statistically significant effect between forensic accounting and external auditing, and the table (8) , (9) , (10) shows the hypothesis test

Table (8)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.594 ^a	.353	.347	.44128
a. Predictors: (Constant), FA				
b. Dependent Variable: EA				

The model summary table above shows that the value of the correlation (R) between the variables was 0.594, which is a high value, and the coefficient of determination, R Square, was 0.353, which represents the “explanatory power” of the model used. That is, the independent variable (forensic accounting) explains 35.3% of The variance occurred in the dependent variable (external audit), and the standard deviation of the error of the estimate (Std Error of the Estimate) was 0.441, which is a very low number, and the lower this type of error is, the better it is from a statistical standpoint.

Table (9)

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.522	1	12.522	64.302	.000 ^b
	Residual	22.978	118	.195		
	Total	35.500	119			
a. Dependent Variable: EA						
b. Predictors: (Constant), FA						

The table above shows the variance above the anova that the calculated value of F was 64.302 , which is greater than its tabular value calculated according to the degrees of freedom df (1,118), which is 3.92 at the significance level of 5%. The level of significance of the test Sig reached 0.000, which is less than the value of the acceptable error in the social sciences and the specified Advance by 0.05, which indicates the suitability of the statistical model used to test the hypothesis.

Table (10)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.900	.399		2.255	.026
	FA	.743	.093	.594	8.019	.000
a. Dependent Variable: EA						

The regression function coefficients table Coefficients shows that the value of the constant of the regression equation reached 0.900, and the value of the slope of the regression equation reached 0.594, which shows the effect of the independent variable on the dependent variable (via coefficient B), and the positive value of the coefficient indicates that there is a direct effect between the independent and dependent variables, or in the phrase Other than that, any increase in the independent variable (forensic accounting) by one degree leads to an increase of 59.4% in the dependent variable (external audit). It is also noted from the table above that the significance level of the T-statistic for the independent variable reached 0.00, which is much less than the acceptable error in science. Social and predetermined by 0.05. This means that the sample data has provided convincing evidence to reject the null hypothesis and accept the alternative hypothesis to prove the effect statistically, and thus that there is a statistically significant, direct (positive) effect of judicial accounting in external auditing.

The following figure displays the frequency histogram, which shows the normal distribution of statistical residuals

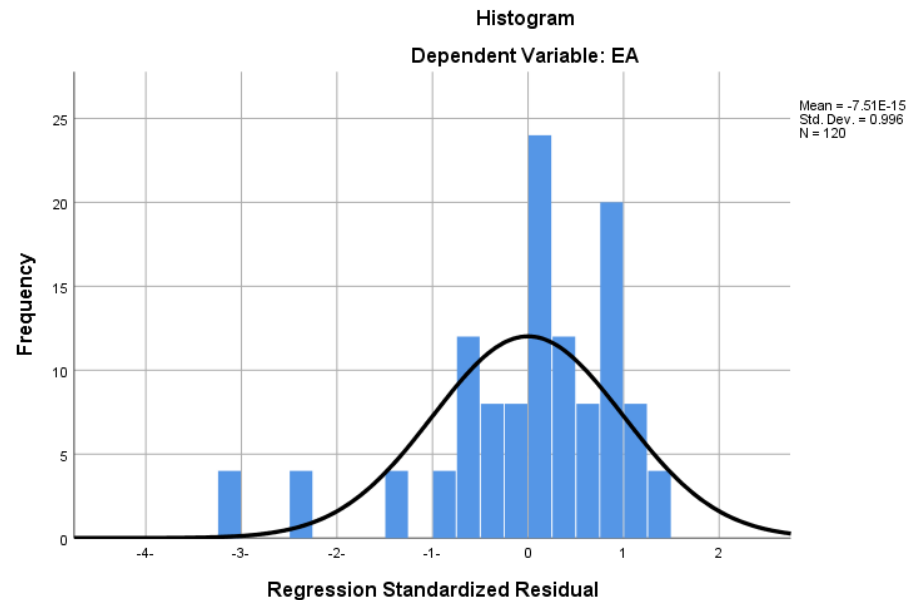


Figure (7)

The following figure shows that the conditions for the regression analysis test are met in a graphic form, which shows the distribution of points around the straight line. This proves that the statistical residuals follow a normal distribution.

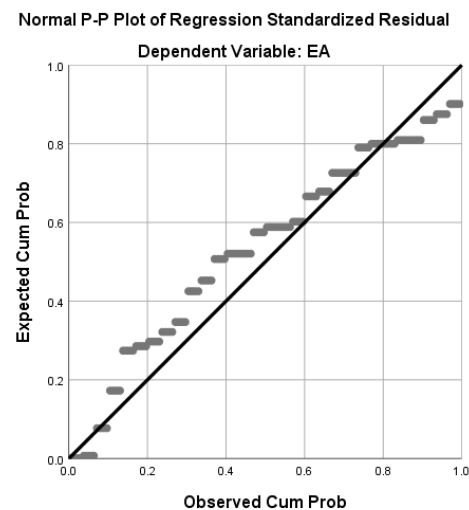


Figure (8)

2. Conclusion:

Forensic accounting has shown to have an impact on reducing financial fraud operations due to the rapid developments in the business environment, the expansion of business scope in financial institutions, the occurrence of collapses and financial crimes, and the rise in financial manipulation and fraud acts caused by the disregard for the accuracy of financial reports and the failure to present data and information in their true form. Effective methods aid in the identification of anomalous items in the financial statements as well as the detection and investigation of fraud or embezzlement. The process of applying accounting, auditing, and investigative expertise to support legal arguments is known as external auditing. It is separated into two categories: litigation services, where the accountant acts as a consultant or expert in investigating sources and litigation services, and forensic accounting, when the accountant applies forensic

accounting techniques and can be called upon to testify as an expert witness in court. Through statistical analysis, it was found that there is a statistically significant effect of forensic accounting on financial fraud, there is a statistically significant effect of financial fraud on external auditing, and there is a statistically significant effect of forensic accounting on external auditing.

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