

The role of corporate governance in achieving uniformity of accounting information

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Abstract

The aim of the research is to demonstrate the role of corporate governance in achieving the similarity of the accounting information provided by the economic units. The answers to the sample of the questionnaire were analyzed in order to support the research idea by the respondents. Several conclusions have been reached, the most important of which is that corporate governance contributes to the harmonization of accounting information. Several recommendations have been reached, the most important of which is that all economic units apply corporate governance in order to achieve similar accounting information.

Keywords: corporate governance, information uniformity.

Introduction

Corporate governance is the laws and standards that define the relationship between company management on the one hand, shareholders, stakeholders, or parties associated with the company (bondholders, workers, suppliers, creditors, consumers) on the other hand, and corporate governance includes the relationship between different interests, goals, and company management. Other stakeholders include (workers, employees, clients and creditors) such as banks, bond holders, suppliers, regulators and society at large. In non-profit companies or other shareholders' membership organizations "means" members "The author defines "Gabrielle O'Donovan" corporate governance, as internal policies that include the system, processes and people, and that serve the needs of shareholders and other stakeholders, through the control and control of good business management activities with objectivity, accountability and integrity. The sound management of companies depends on the commitment of the external market and legislation In addition to a healthy culture that includes guarantees for policies and processes (Haidar, 2009, 103)

Research Methodology:

The current environment is witnessing many developments and adopting new concepts that contribute to improving all areas, including accounting, in order to provide useful information.

It is well known that economic units do not provide identical accounting information for all stakeholders, so similar accounting information must be achieved through the application of corporate governance. Research problem: The research problem can be formulated in Is there a possibility to apply corporate governance to achieve the similarity of accounting information?. The research seeks to achieve the following

1. Identify the concepts of corporate governance and information asymmetry.
2. Clarify the importance of corporate governance in the application of similar accounting information.

The research seeks to choose a basic hypothesis that corporate governance contributes to achieving similar accounting information. The importance of research lies through the application of corporate governance by imposing a reduction in asymmetry of accounting information to communicate similar accounting information that contributes to the arrangement of stakeholders decisions.

Conceptual framework: corporate governance:

Given the growing interest in the concept of governance, many responsibilities have been kept on studying and analyzing this concept and setting specific criteria for its implementation. Among these institutions are: the Organization for Economic Cooperation and Development, the Bank for International Settlements BIS represented in the Basel Committee, and the International Finance Corporation of the World Bank. According to the Organization for Economic Cooperation and Development, governance is applied according to the following criteria: (Curtis: 2007: 1977) (International corporate governance for the magazine "Culture and the Company's Board of Directors, 3-6, 2003)" (Dignam, 2006: 15) (Al-Obaidy, 2009: 55):

1. Preserving state funds (the right of the people): Preserving public money is the primary goal of all parties. One of the most important ways to achieve this is to complete the legal and legislative umbrella in a manner consistent with changes in the economic environment.

2. Ensure that there is a basis for an effective framework for corporate governance:

The corporate governance framework must include both enhanced market transparency and efficiency, and it should be consistent with the provisions of the law, and that the division of responsibilities among the various supervisory, regulatory and executive powers be clearly formulated.

3. Preserving the rights of all shareholders: this includes transferring ownership of shares, choosing the board of directors, obtaining a return on profits and reviewing the financial statements, and the right of shareholders to participate effectively in the general assembly meetings.

4. Equal treatment among all shareholders: It means equality between shareholders within each category, their right to defend their legal rights, and voting in the general assembly on basic decisions, as well as protecting them from any questionable acquisition or merger, or from trading in internal information as well Their right to see all transactions with members of the board of directors or executives.

5. The role of stakeholders in the methods of exercising the company's management authorities:

It includes respecting their legal rights, compensation for any violation of those rights, as well as mechanisms for their effective participation in the control of the company, and obtaining the required information. Stakeholders mean the banks, workers, and holders of bonds, suppliers and customers.

6. Disclosure and transparency: It deals with the disclosure of important information and the role of accounting control, and the disclosure of ownership of the largest proportion of shares, and disclosure related to members of the Board of Directors and executives. Important information is disclosed, the role of auditing, ownership of the largest proportion of shares, and disclosure of members of the Board of Directors and executives. All such information is disclosed in a fair way among all shareholders and stakeholders in a timely manner and without delay.

7. Board of Directors responsibility: It includes the structure of the board of directors and its legal duties, how to choose its members and its primary tasks, and its role in supervising the executive management.

Key elements of the corporate governance application:

There are a set of basic elements that must be provided to support the proper application of corporate governance, as follows: (Marco Patrick Bolton, 2004: 136)

1. Setting strategic goals and a set of values and principles that are known to all, to prevent corruption and bribery, either in relation to internal or external transactions.
2. Develop and implement clear policies of corporate responsibility by committing to senior management to define the different responsibilities of workers within the organizational structure according to the jobs.
3. Ensure the efficiency of members of the Board of Directors and their awareness of their role in the process of governance where members have sufficient information to enable them to judge the performance of the administration to identify deficiencies and thus take appropriate corrective measures.

Corporate Governance Bodies:

The parties involved in corporate governance include the regulatory body such as (CEO, board of directors, shareholders and accounts) and other stakeholders who participate include suppliers, employees, creditors, customers and society as a whole. In companies, the rights of shareholders delegates a decision of the principal manager of work in the best interests. This separation of ownership and control means the loss of effective control by shareholders on administrative decisions. Partly as a result of this separation between the two parties, a system of corporate governance controls implemented to help reconcile incentives for managers with the significant increase in the ownership of investor shares, there was an opportunity to reverse the separation of ownership and control due to ownership problems that are not widespread (NACD 12: 2007): The Board of Directors often plays a major role in managing companies. It is their responsibility.

The Board of Directors often plays a major role in managing companies. It is their responsibility to agree to the organization's strategy, set a two-way policy, appoint and monitor and pay the salaries of senior executives and to ensure accountability in the organization to its owners, authorities and company secretary, known as the corporate secretary in the United States.

All parties in corporate management have an interest, whether direct or indirect, in the actual performance of the organization. Managers and workers in the field of management and get salaries and benefits, while receiving the return on the share capital. For customers to obtain goods and services, suppliers obtain compensation for their goods or services. It is the return of these individuals that provide value in the form of natural human, social and other forms of capital. There is a fundamental factor that defects the individual in the decision to participate in an organization, for example, by providing financial capital and trusting that they will not get a fair share of the organizational returns. If some parties remain more than their return fair, then the participants can choose not to continue to participate, which leads to organizational collapse.

Board of Directors

The Board of Directors is the main body directly concerned with affecting corporate governance, and members of the Board of Directors are elected by shareholders or appointed by other members of the Board of Directors, and they represent the shareholders of the company, and the Board of Directors is tasked with making important decisions, such as appointing company employees,

compensation Executive, from financial improvement, when shareholders 'decisions call for giving priority to some social and environmental concerns.

(Enriques & Volpin 2007). Councils are often composed of insiders and independent members, and the insiders are the major shareholders, founders and executives, where independent directors do not participate in insiders' relationships, but are chosen because of their experience in managing or directing other large companies, and independents are considered assistants to governance, as they reduce the concentration of authority and help On his convenience. (Clark Thomas, 2007)

Asymmetry of accounting information due to poor corporate governance

The problem of information asymmetry occurs when one party in the transaction owns one or more better than the other party or other parties, that is, when the seller owns information about a product of what the buyer owns or knows, or the borrower knows more than the loan about his creditworthiness, and the executives know more than Shareholders about the company's profits and future, and insurance customers know more than the insurance company about the risks of their accidents, and tenants know more than the landowners about the harvest conditions and their own work efforts, and so, the theory of asymmetry information assumes that there is at least one party to the transaction that has appropriate and relevant information in When the party (or other parties) does not have that information (Al-Zubaidi, 2009), the communication will be insufficient for several reasons: (Grots, D., 2000: 14-21)

1. The bifurcation and the multitude of works that are assigned to the agent.
2. It may be a deliberate concealment of information by the agent, on the pretext of weak means of transmission and reception.
3. When the inherent ability to perceive and follow the actions of the agent is restricted and limited by several factors known only to the agent and thus the agent will reduce his efforts or evade because of their ability to reduce their performance.

The problem of asymmetry of information is a problem that arises as a result of the lack of familiarity with one of the parties dealing with the economic unit with sufficient information that enables it to make sound decisions.

The presence of information asymmetry results in two types of problems:

- A- The problem of bad selection: The problem of the opposite choice appears when the agent has information that proves that it is useful for him to make decisions, and that the original does not know it, so the inherent can not know if the agent has taken appropriate decisions in light of the information that was processed through the agent Because the principal does not possess this information. As the problem of the opposite choice is related to the process of appointing managers, one of the common conditions in appointing a manager's job is the availability of many skills, including managerial and technical skills, personal and interactive skills, intellectual skills, and communication skills, as these skills are necessary to advance the administrative level Economic units and then achieve their goals (Jawad, 43: 2000-46).
- B- Bad faith intention problem: The problem occurs even with the assumption that the investor is able to differentiate between good and bad economic units before the investment, and then they are not exposed to the problem of bad choice, but they are still subject to another problem that occurs after the investment is the possibility of exposing them to the risks of bad faith by the users of the money who use the money In activities that are not satisfied by the owners of the money (the investors), such as the unproductive activities or the high risks, which increases the chances of their inability to fulfill their financial obligations towards the owners of the

funds, for example we find the information asymmetry between the managers of economic units and the holders of ordinary shares offering shareholders for this The type of problem, in other words, the lack of information available to shareholders about how their money is used by company directors makes them vulnerable to this problem. The separation of ownership from management within shareholding companies increases the possibility that managers in these companies use investor money to perform unproductive investment activities such as building and equipping Luxury offices, buying luxury cars for personal use, or using investments in implementing unproductive strategies, not from u It is to increase profitability, but to consolidate its position or increase the influence of these managers.

Factors affecting the information asymmetry problem:

There are many factors that affect the problem of asymmetry information:

1. The nature of the economic system: the economic system means the degree of state interference in economic activities, the higher the degree of intervention, the less degree of flexibility in accounting systems, and systems become exercised through government laws and legislation. In socialist countries, for example, the state has the means of production, and this state is available for these Unified systems to facilitate the state's function in planning and control, and there is a specified number of users of accounting information except the state. As for the economics of the capitalist market, with private ownership and freedom in accounting practices, and a large number of users of accounting information as well as the state and because of the high degree of uncertainty in the environment surrounding the capitalist system, decision-makers are in great need of accounting information to reduce this degree of uncertainty, and there are Countries lie between these two systems, and the economic feature that is relevant here is the monetary and financial policies used by the state, including tax legislation. (Arpan & Radebangh, 1985: 13)
2. Tax: Tax is one of the main reasons for the differences that exist in accounting applications, due to its differential effect on reporting models, as well as being one of the factors for the development of accounting in all of the first regardless of the model used. Its impact differs in the reporting model with the different economic input used. For there is a clear separation between financial accounting and tax accounting, so the goal of tax is to collect revenues in line with national economic policies, while financial accounting is directed to individual business units, with consideration given to tax between a set of equal considerations (Mueller 1967: 50) The classification of accounting systems is appropriate when it is done on the basis of the degree to which tax legislation and accounting standards are defined. In Britain, the Netherlands and the United States, there are significant differences between tax and the financial reporting system, and therefore the deferred tax problem has emerged However, the problem is not significant in countries where tax rules are consistent with accounting standards such as France and Germany.
3. Conflict of interests: The term conflict of interests is one of the commonly used terms in all areas in which decisions are made, and this problem appears under the agency theory because the relationship between both the principal and the agent is a cross-relationship. The agent (managers) are their duties in managing the economic affairs of the unit versus They receive compensation from the owners, but the owners are in their interest in the economic unit, which is to maximize wealth and achieve an appropriate return on their investments.
4. Administrative incentive plans: One of the factors that affect management behavior is the incentive plans approved by the Board of Directors. When the management is linked to the incentives of managers with what is achieved from revenues or profits, that administrative incentive plans arise mainly to reduce the severity of conflicts of interest between the

administration and the shareholders resulting from Each of them seeks to maximize their personal benefit, as administrative incentive plans combine the interest of management and the interest of shareholders to achieve a common goal is to improve the value of the economic unit and the level of its performance through the linking of administrative incentives to the achievements of the economic unit, despite the fact that the official mission of the administration is to achieve the maximum gains for the economic unit (Or to other external parties), but it may have other personal motives that are different from those related to achieving the basic objectives of the economic unit that can lead it to take decisions and actions that negatively affect the value of the economic unit and then influence the interests of shareholders, so determining a plan for administrative incentives It comes to link the administration's interest in maximizing its personal benefit with the shareholders' interest of maximizing the value of the economic unit by improving Prices of its shares in the financial markets with the intention of reducing the severity of conflicts between the interests of management and shareholders.

5. Profit Management: It is the process in which managers use their personal provisions in financial reporting in order to amend financial reports that lead to misleading investors about economic performance, or the effect of contractual results that depend on the accounting numbers set forth. (Ayres, 1994: 27) Managers try to influence the disclosed income in the short term. Company managers faced very strong pressures during the 1990s to achieve target profit levels and access.

The role of governance in achieving information uniformity:

By studying the problem of asymmetry information and its most important effects as well as the concept of governance and its most important principles, it is from this last that we can infer the importance of governance in reducing the consequences of asymmetry information and achieving sound. Transparency and access to quality information and reducing asymmetry of information through following proper disclosure principles.

The relationship between governance and identical information:

Information is at the center of the governance system, and this is because the latter is concerned with supporting and following up information at various stages through the following:

1. The stage of control over the accounting work, which includes: tribal control and the other, the dimensional control of the accounting work, the evaluation of the responsibility of the board of directors, the different administrative levels, and auditors.
2. The stage of actual practice of accounting work, starting from the commitment to apply accounting standards and provide characteristics and financial reports and lists and their delivery to different users, whether inside or outside the institution. Quality of information, evaluation and follow-up of performance and profit management, ending with disclosure of the outcome of this practice in form The post-actual stage, which includes the roles of both the external audit and review committees and the confidence and credibility they achieve in the information disclosed.

Transparency in accounting information:

1. Accountability and oversight: Several reports of international organizations, such as the Cadbury Committee and the Organization for Economic Cooperation and Development, have stressed their necessity to ensure transparent information flow between shareholders and different levels of management through knowledge and performance of each party's responsibilities and rights as the Board of Directors is committed to providing quality information to the shareholder who He shall in turn activate his participation and supervision in the various decisions taken and

hold him accountable to the Board of Directors while the latter intensifies his control and his follow-up to the executive management.

2. Commitment to apply accounting and auditing standards: This is through the application of unified international standards to facilitate and unify the reading of financial statements and ensure the arrival of similar information for all individuals, where the pursuit of applying international accounting standards is one of the most important aspects of the embodiment of corporate governance. 3. The role of internal audit: corporate governance attaches great importance to internal audit because of its role in strengthening internal affairs, its importance being independent and subordinate to the Chairman of the Board of Directors. Internal control and evaluation of internal operations in order to evaluate them, as well as to achieve internal control, This derives the review.

3. The role of the external auditor: The activation of the role of the external auditor is considered one of the most important requirements for governance in addition to being the most important element in eliminating the asymmetry of information due to the confidence and credibility it gives to the information, and his neutral opinion helps to reduce the conflict between shareholders and management and reduce the moral risks resulting from Information asymmetry.

4. The role of the audit committees: Governance emphasizes the need for audit committees as it is the framework that ensures more accurate and reliable as it is based on supervision of both internal and external audit, as they are independent committees that are in the financial markets. It is through which it is possible to evaluate the applied levels of governance and what can affect the movement of shares of enterprises.

5. Achieving disclosure and transparency: One of the most important principles of governance is that we find disclosure and transparency, as this principle is a link between it and the information and its quality, where adherence to the criteria for the proper disclosure of financial and non-financial information with transparency provides an important criterion on the application of governance and a way to preserve the interests.

6. Profit management: It has been proven through previous studies that there is an inverse relationship with the quality of information as it means managing manipulations. Profits manipulate and cheat the information in the financial statements and governance is the way to limit this.

Results

This research focuses on analyzing the answers of the research sample related to the relevant questionnaire questions that aim to support the research idea, and focuses on clarifying it through the following:

1. Respondents agreed, at 90%, on corporate governance, represented by laws and standards that define the relationship between company management on the one hand, and shareholders and stakeholders on the other hand.

2. Respondents agreed, at 80%, that corporate governance includes a set of organizational, administrative, legal and financial frameworks that govern the relationship between management and stakeholders.

3. Respondents 85% agreed that the principles of corporate governance are to protect the rights of shareholders and stakeholders in a fair manner to all, as well as full disclosure and transparency.

4. Respondents agreed, at 90%, that the objectives of corporate governance are to achieve transparency, fairness, and accountability, taking into account the interests of work and workers, and providing new job opportunities.

5. Respondents agreed, at 90%, that asymmetry of information is achieved when different information arrives for some stakeholders, but not others.
6. Respondents agreed, at a rate of 70%, that a problem with identical information occurs when he has one or more exchange transactions that are better or more than other parties.
7. Respondents agreed at 80% that the factors affecting the problem of asymmetry information are as follows: 1. The nature of the economic system 2. Tax 3. Conflict of interest 4. Administrative incentive plans 5. Management of profits.
8. Respondents agreed by 95% that the role of the corporate movement in achieving similar accounting information through satisfying the principles of proper disclosure.
9. 85% of the respondents agreed that the relationship between governance and the achievement of similarity of information through control over the work of accounting and actual protection through commitment to apply accounting standards to improve the quality of information.
10. Respondents agreed at a rate of 95% that corporate governance achieves similar accounting information by specifying responsibilities for all interested parties in order to achieve a balance between them.

Conclusions

Corporate governance is represented by laws and standards that define the relationship between company management and other stakeholders. Corporate governance includes basic principles aimed at achieving disclosure and transparency. Accounting information asymmetries are recognized when corporate governance is not applied. Corporate governance contributes to achieving the same accounting information.

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The Role of Accounting approaches under of the knowledge economy in achieving competitive advantage

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Abstract

That the current development in science and technology has led to the development of all areas of Economic, political, social, educational and legal, who helped move the economy from the industrial economy, which relies on quantitative production to knowledge-based economy, which relies heavily on the knowledge and information, making knowledge of economic terms constitute the conceptual framework of the knowledge economy, and that has made this economy seeks to information, and makes it his main objective. It is well known that the environment knowledge economy fade the limitations of space and time, which creates challenges and opportunities for economic units, so you need Iraqi universities to Platform accounting mail helps provide graduates Accountants and in accordance with the requirements of the knowledge economy, and this means that the Curriculum Standard accounting has become processions with the development that has occurred in the business environment, hence there was a need to develop a curriculum accounting traditional face dramatic changes resulting from the state motor of the business environment, and through some improvements in the curriculum of accounting and teaching method which leads to the development of the curriculum of accounting in accordance with the requirements of the Knowledge economy and achieve competitive advantage. Has research found many of the conclusions, most notably the possibility of employing modern technology in the service of the accounting curriculum and teaching methods and in accordance with the requirements of the knowledge economy, in order to develop the accounting curriculum traditional products accounting department be adequate to achieve a competitive advantage, The research found that the proposed model provides acceptable results that will improve the accounting curriculum in general, so the researcher recommends applying the proposed model accounting for the platform in Iraqi universities .

Keywords: Accounting, knowledge economy .

Introduction

The world is living today a new reality characterized by dynamism and rapid change in the concepts of traditional place and time in a manner that is compatible with the incubating environment for this change and the revolutions that the world economy went through from the beginning of the first revolution (the agricultural revolution) and through the second revolution (the commercial revolution) and the steam revolution (the industrial revolution) through to The information and communications technology revolution (the technology revolution) .

These revolutions have paved the way for the economy to move towards the Imam, especially the recent revolution (information and communications technology) that played a fundamental role in the orientation towards the so-called knowledge economy, and it will be a real pillar for all factors

of production in all countries of the world that seek to rise and prove their superiority, and lead to human thinking And obtaining information by using information and communication technology to produce and distribute knowledge in order to achieve human development, increase creativity and innovation, and achieve prosperity for all individuals. It is known that the traditional curricula of university accounting education are not keeping pace with the rapid global developments in the profession of accounting or accounting sciences, as these curricula did not witness fundamental changes for a period not long ago and therefore they do not prove the needs of the labor market and do not meet the requirements of the accounting profession in the era of knowledge which is one of its pillars The accelerated linear technological and information development .

The current state of accounting education and the new reality of the knowledge economy era and its future possibilities have found important and dangerous challenges, especially with expectations of increasing intensity and acceleration of these challenges in the future Under of the developments and changes that the world is witnessing in various scientific, cognitive, cultural, social, economic and political fields. On the basis of that, the aim of the research is limited to identifying the shortcomings of the traditional curriculum for accounting education, and to reflect the implications of the knowledge economy on it, and then formulating a proposed model for the accounting curriculum in line with the requirements of the knowledge economy .

Research Methodology

Research problem :

The current development in science and technology has led to development in all economic, political , social, educational and legal fields. Therefore, this development must be employed in the service of educational systems in general and accounting in particular. This means that the educational systems (accounting approaches) suffer from some of the deficiencies that It does not fit with the requirements of the knowledge economy, and the research problem can be clarified through the following questions :

- 1- Are the accounting curricula currently in place in Iraqi universities compatible with the requirements of the new economy and the labor market ?
1. Is there a possibility to employ modern technology in the service of accounting curricula and educational methods ?
2. Are the products of the accounting department (graduates of the accounting department) in accordance with current developments capable of achieving the competitive advantage of companies specialized in education ?

Research Aims :

The research seeks to achieve the following goals :

- 1- Providing a theoretical framework for the knowledge economy .
- 2- Clarifying the faults of accounting approaches .
- 3- Explaining the effects of the knowledge economy on accounting approaches .
- 4- Clarify the role of modern accounting approaches in competitive advantage .

Research hypothesis :

The research seeks to test two basic hypotheses :

- 1- The knowledge economy contributes to improving accounting approaches .
- 2- The modern accounting methodology contributes to achieving competitive advantage .

Research importance :

The importance of research through the effects of the knowledge economy on all areas in general and accounting approaches in particular, and the requirements of competitive advantage in the labor market that require that the graduate from the accounting department be of high efficiency. Therefore, accounting approaches must be adapted to suit the requirements of the knowledge economy .

Knowledge Economy - An Introductory View

The current transformation of the economy and its transition from the industrial economy to the knowledge economy, which relies mainly on knowledge, is the main component of creating wealth and achieving competitive advantage. Knowledge has been defined as the comprehensive awareness of facts and things , clear understanding, thinking, visualization, imagination, remembering and learning, as all of these processes interact leading to the individual carrying out certain behaviors and behaviors based on his way of thinking that represents an accumulated knowledge product (Al-Shammari and Al-Leithi 2008) .

Knowledge is the power in today's economic units and the key to solving obscure business problems, as well as being defined as understanding and awareness acquired through observation, interpretation, and study. There are two dimensions of knowledge which are awareness of what means availability of information and judgment, i.e. assessing this information in the sense of beneficial benefiting from it (Al-Shammari 2006). Knowledge includes various forms and types (Tawfiq 2004):

- 1- Tacit knowledge
- 2- Candid knowledge

The importance of knowledge and its characteristics

The importance of knowledge for economic units emerges not with the knowledge itself but with the addition of its value to it first and the role it plays in transforming the economic unit into a new knowledge-based economy. Secondly, the importance of knowledge has been defined as follows (Ali, 2012):

- 1- Knowledge contributed to the flexibility of economic units by pushing them to adopt forms of coordination, design and more flexible structures .
- 2- Providing knowledge with scope for economic unity to focus on the departments that create more and stimulate creativity and continuous innovation for its members .
- 3- Knowledge led to the transformation of economic units into knowledge societies, which radically change the economic unit to adapt to the rapid change in the business environment and to face the increasing complexity in it .
- 4- Economic units can take advantage of the same knowledge as a final good by selling and trading it, or using it to modify a specific product or to find new products .
- 5- Administrative knowledge guides managers of economic units on how to manage their economic units .
- 6- Knowledge has moved the true foundation of how economic unity is created, developed, matured and reshaped again .

The concept of knowledge economy

The high growth rates that characterized the information economy and the knowledge industry have led to changes in economic thought in general and in sustainable development thinking in

particular through the emergence of the knowledge economy that was used for the first time in the year of the American economy Druker 1696 in the twelfth chapter From his book The Age of Stopping (Ali, 2012: 27). Where (Druker) believes that the world is already dealing with cognitive industries, data is its primary materials and the human mind is its tool and ideas are its products. Knowledge economy has been defined as a branch of modern economics based on a new and deep understanding of the role of knowledge and human capital in achieving Economic progress and development and increasing well-being, stability and progress for society. It has been called (R.SOWOW) as a branch of political science aimed at improving the well-being of individuals and society by studying the systems of production and design of knowledge and the parts of the interventions necessary to develop these systems and thus it generates theoretical models through research And develops scientific and technical tools and their application to the real world (Al Shabib, 1999) Knowledge economy is defined in the context of the broad concept of knowledge as the economy that creates wealth through knowledge processes and services (creation, improvement, sharing, learning , application, and use of knowledge .(The knowledge economy is based on four main pillars (Al-Hashemi and Al-Azzawi, 2010) :

1. Innovation that is based on research and development .
2. Infrastructure based on information and communication technologies .
3. Governance that is based on a strong economic foundation .
4. Education is the most important and basic factor in productivity and economic competitiveness .

It is worth noting that the concept of a knowledge economy is not limited to that, but rather an integrated system of elements that must be available, the most important of which are qualified human resources with high technical skills, whose construction depends on spreading the culture of creativity and innovation through a strong and effective educational system with outputs consistent with the requirements of growth in the state.

Characteristics, features and requirements of a knowledge economy

There are a set of characteristics that characterize the knowledge economy, which has become the dominant feature of the economies that have entered the stage of liberation from the old restrictions and entering the era of the Internet that can be summarized as follows (Al-Hashemi and Al-Azzawi 2010) (Al-Shammari and Al-Leithi, 2008):

1. The focus of economic activity on the production and manufacture of knowledge .
2. Moving from thinking on the basis of quality to thinking on the basis of speed synthesis .
3. Approving continuous learning and training and retraining .
4. The knowledge economy does not know the factors of randomness or chance. Everything is planned and organized.
5. The knowledge economy has high flexibility and ability to adapt to changes and developments .
6. Intellectual and cognitive products (outward knowledge or information) generally tend by virtue of their nature to be a public good, and as soon as they are produced, they can be shared by others at little marginal cost .

The knowledge economy is distinguished by a set of features that distinguish it from the traditional Economy, and those interested in the field of the knowledge economy have considered it from different perspectives according to the difference in their specializations and their scientific and practical backgrounds, and they agreed on the following features, (Khalaf, 2007: 10-12) :

1. Focus on customer service .

2. Extended adaptation to satisfy customers' desires .
3. Globalization .
4. E-commerce .
5. The end of the employment phenomenon for life .
6. The need for lifelong learning .
7. The Foundation in one .
8. An economy of abundance rather than an economy of scarcity .
9. Difficulty applying laws, restrictions, and taxes on a national or local basis, as long as the knowledge is available anywhere .

Knowledge Economy requirements

In order for the new economy to continue giving and reviving, there are a set of requirements that must be met, the most prominent of them (Ali: 2012. 39.) :

1. Attention to scientific research, creativity and innovation to help generate useful knowledge in various fields and to activate research and development as an engine for change and development .
2. Work to spread knowledge through education, training and information in order to build a person who has the knowledge, skills and capabilities that enable him to work effectively and competently .
3. .3Providing an interactive environment that urges people to contribute in the foregoing, showing their capabilities and encouraging them to give. Here, the advantage of human diversity is highlighted in talents and abilities .
4. .4The effective use of information and communications technology because of its impact on the course of the economy in particular and social life in general .
5. .5Focusing on the necessity of using knowledge, skills and abilities in the best possible way in a way that supports the community's giving and enhances its development .
6. .6Dependence mainly on the use in human resources, after which the individual knowledge capital that characterizes the knowledge economy, including a wide use of research and applied studies carried out by highly qualified individuals, is used .
7. .7Good governance: which is based on strong economic foundations that can provide all legal and political frameworks that aim to increase productivity and growth .
8. .8Ownership of knowledge: The ownership of any new knowledge must be given to those who created it, such as (copyright) .
9. .9Customer Satisfaction: After the product was the decision maker, the customer became the decision-maker and the opinion, and therefore the product became required by more than one new innovation .
10. Adopting economic reforms based on market economy and openness to improve economic growth rates and enter a cycle of growth and productivity and high rates of entry and investment .

Information and communication technology can be defined as a set of knowledge fields, including scientific, technical, engineering, human, and social, administrative procedures, different technologies and human efforts exerted in all the different information, storing, processing, transferring and retrieving it ,which arises from interactions between these technologies and knowledge and man (Abdullah, 2004: 282) .

Accounting approaches under of the knowledge economy

The educational curricula currently face many challenges, including the technology revolution that relies on advanced scientific knowledge. Therefore, it has become necessary to search for new methods and means to meet these challenges and changes and adapt quickly to them, and even to influence them positively. Those in charge of designing and developing educational curricula are required to develop those challenges and changes in mind.

Definition of accounting approaches

The curricula are defined as a set of information, facts and concepts that the professor is working on acquiring for the student with the aim of preparing them for life and developing their capabilities by knowing and benefiting from the experiences of others. The APB of the American Institute of Certified Public Accountants (AICPA) provided an accounting definition in 1970 as a service activity, whose primary function is to provide quantitative information - of a financial nature - about a particular economic unit, and its purpose is to be useful to those with a relationship in making rational economic decisions. Accounting was defined as defining, measuring, recording, and communicating the results of operations and economic events of an economic unit to users. Accounting curricula have been defined as a group of specialized and general courses that are dominated by the traditional nature, which loses the student who studies it the ability to deal with the labor market and is an ongoing need to develop his skills (Al-Hassan, 1995: 4).

Modern accounting approaches

Other materials and requirements must be added in addition to the old accounting approaches to reinforce these curricula. If the college is able to be the first product of knowledge, then this is an indication for improving education and accordingly we can say that our colleges and universities are the ones that will determine our future so we do not exaggerate if we say that the transition towards an economy Knowledge should start from educational system reforms in general and accounting curricula in particular.

Despite the efforts made by the Ministry of Education in Iraq in developing its educational and educational system in general and the accounting system (accounting approaches) in particular. To keep pace with contemporary changes, general indicators indicate a real gap between what is present and what is desired in the future by the political leadership. The supreme goal of making Iraq one of the developed countries (Marwan, 2009, 24)

The concept of modern accounting approaches :

The curriculum must generally provide the knowledge required for the learning and teaching process as it represents "the set of meanings, facts, concepts and intellectual and scientific developments that form for the individual as a result of his repeated attempts to understand the surrounding phenomena and is an important tool in achieving progress and an essential step in human development." The current state of accounting education and the new reality of the knowledge economy era and its future prospects have found important and serious challenges, especially with expectations of increasing intensity and acceleration of these challenges in the future. Under of the developments and changes that the world is witnessing in various scientific, cognitive, cultural, social, economic and political fields (Al-Muliji, 2012).

Quality implications of accounting approaches for competitive advantage. The quality of university teaching is defined by the ability to make it appropriate in terms of its role and position in society,

its educational, research, service, and productive tasks and its relationship with countries and the world and public financing and its interaction with levels of education from the need of modern economies (knowledge economy) to graduates who are able to develop their knowledge continuously and show the qualities of researchers and employers in A constantly changing market (Muhammad, 2006: 20) .

Results: Presentation and analysis of the results of the field study :

A questionnaire was done to obtain valuable information proving the achievement of competitive advantage by developing accounting approaches Under of the knowledge economy, and the effective use of information and communications technology because of its impact on the course of the economy in particular and social life in general to increase the knowledge of graduating students to achieve the elements of competitive advantage (Excellence, quality and cost reduction), as the number of respondents reached (20) respondents (4) who hold a PhD, and (16) from a master's degree, which are illustrated in Table (1) as shown below .

Table (1) characteristics of the research sample

Percentage	Frequency	Categories	Properties
%20	4	Ph.D.	Academic achievement
%80	16	M.A.	
0	0	diploma	
0	0	Other	
%100	20	Total	
%85	17	Accounting	Scientific specialization
%5	1	Banking and Financial Sciences	
%10	2	Business Administration	
0	0	Other	
%100	20	Total	

It is clear from the results of the questionnaire distributed to the members of the sample that respondents have good qualifications, as the largest percentage of respondents are holders of a master’s degree, as the percentage of masters holders (80%) and holders of doctorate degrees (20%) on the one hand, and on the other hand The percentage of respondents in the accounting specialization (85%) and the business administration in finance and banking (15%), which indicates that the percentage (100%) of respondents are from scientific disciplines with high knowledge in the knowledge economy and determine the quality of modern accounting approaches and their impact on achieving Competitive advantage .

The table shows that (100%) agreed that the knowledge economy leads to the free circulation of information and knowledge among users all over the world, and also (100%) of the respondents agreed that the knowledge economy depends on the education and training of all individuals continuously, including It achieves a competitive advantage, and it has also been found that (75%) of the respondents agreed that developing accounting approaches Under of the knowledge economy leads to achieving a competitive advantage and (25%) agreed somewhat on that, and

(95%) of the respondents agreed to Increasing the hours of practical application within the curricula of the educational approach leads to raising the skills of graduates upon entering the labor market and (5%) agreed somewhat on that, while (85%) of the respondents agreed to use the interactive whiteboard and enter it in the accounting educational curriculum helps in speeding information acquisition And knowledge while (15%) somewhat agreed on that, while (45%) of the respondents agreed that knowledge led to the transformation of economic units into knowledge societies to adapt to rapid changes in the business environment, while the percentage (50%) agreed somewhat What on That, and (85%) agreed to employ effective information and communication technology because of its effects on the course of economics and social life, and (15%) somewhat agreed on that, and (65%) of the respondents agreed that linking training plans Technical and vocational economic development plans to meet global challenges and provide the market with highly qualified cadres, while (25%) somewhat agreed on this, and (100%) of the respondents agreed that modern accounting curricula are a way to increase and facilitate student participation in the classroom and motivate them to increase their knowledge And (75%) of the respondents agreed that modern accounting curricula provide an increase in the knowledge of graduating students to achieve quality and competitive advantage, and (25%) somewhat agree on this, and (100%) of respondents agree that modern accounting approaches provide an increase in knowledge Graduated students to achieve excellence and competitive advantage, and (80%) of the respondents agreed that modern accounting curricula provide cost savings to achieve competitive advantage and (15%) agree What is wrong with that ?

In summary of the foregoing, it can be said that the role of the knowledge economy in developing modern accounting approaches will contribute to achieving full knowledge of graduates, which leads to increasing their skills when entering the labor market in order to achieve them a competitive advantage, and Under of the results reached, the two basic assumptions are :

1. The knowledge economy contributes to improving accounting approaches .
2. The modern accounting methodology contributes to achieving competitive advantage .

Conclusions

From the foregoing in the course of the research, the following conclusions were reached :

1. The knowledge economy is an evolving pattern that relies on the use of information and communication technology through which information and knowledge is communicated to all users .
2. Modern accounting curricula provide Under of the knowledge economy, with detailed, relevant ,important, aggregate and immediate information for students, according to the needs of the labor market, and in line with the requirements of the knowledge economy and competitive advantage .
3. Modern accounting curricula are considered a means to increase and facilitate students' participation in the classroom and motivate them to increase their knowledge .
4. Increasing the number of hours of practical application increases the skills of graduates from the accounting department when they enter the workforce .
5. Increasing the knowledge of graduating students under the modern accounting curricula leads to achieving the elements of competitive advantage (quality, excellence and cost reduction) .

Recommendations :

In the light of the conclusions reached, the researcher recommends the following :

1. Information and communications technology should be used in accounting education .

2. The current model should be relied upon in the modern accounting curricula in Iraqi universities ,because it provides detailed, relevant, important, aggregate and immediate information to students and according to the needs of the labor market, and in line with the requirements of the knowledge economy and competitive advantage .
3. Modern accounting curricula should be used as a means to increase the student's ability to prove his knowledge .
4. The hours of practical application should be increased and integrated with curriculum curricula in Iraqi universities and the creation of specialized halls for the training process .
5. Students should take advantage of modern accounting approaches to increase their knowledge to achieve a competitive advantage

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Comprehensive Reporting under of the sustainability accounting and its role in reducing Covid-19: An applied study in one of the virtual educational units

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Abstract

The research presents to comprehensive reporting in light of the application of sustainability accounting in educational units and their role in reducing the risks of Covid-19. Comprehensive reports have been prepared for this by focusing on the income statement, balance sheet and related lists of Virtual Private University X in light of sustainability accounting to provide comprehensive information on the sustainable performance of all stakeholders represented by the administration at all levels and employees and investors and government authorities and reduce risks in general and Covid-19 risks in particular. Many conclusions were reached, the most important of which are the preparation of comprehensive reports in light of sustainability accounting to achieve risk reduction, especially Covid-19 risks. Care has been reached through which all private educational units and units prepare comprehensive reports in light of sustainability accounting to reduce risks, especially Covid-19 risks.

Keywords: sustainability, Covid-19.

Introduction

The current environment witnessed many developments as a result of the developments taking place in the global environment, which made the world a small village, and among these developments that have occurred at present is the Covid-19 crisis that affected all parts of the world in all social (health), economic, administrative, accounting and other fields, which was imposed on my sponsors. Decisions to take all necessary precautions to eliminate or reduce this pandemic. It is known that all units, especially the current private educational units, prepare financial reports in light of the unified traditional accounting and accounting, which provides limited and insufficient information to rationalize the decisions, so the need emerged that comprehensive reports are not considered in light of the application of sustainability accounting in its dimensions of economic, environmental, social, technological and risks Covid-19. Governance in accordance with sustainability accounting standards for the purpose of providing comprehensive information on sustainable performance. The research was divided into several topics: the first research was devoted to the research methodology, and the research focused on sustainability accounting - an introductory introduction, while the third research dealt with the dangers of Covid-19 in light of sustainability accounting, while the fourth research devoted to traditional and comprehensive reports of educational units, and finally the fifth topic focused The most important conclusions and recommendations.

Research Methodology

The research problem:

The research problem lies by providing limited and insufficient information through financial reports in light of the unified accounting system that does not give the true picture of the units,

for example not providing information about the risks that the unit has, whether those in the environment or society And in conjunction with the emergence of the Covid-19 crisis, which demonstrated the deficit of all units, whether in the public or private sector, which leads to the collapse of all societies and their economies, as well as other crises that emerged after being affected by this crisis, the research problem can be formulated through the following questions:

1. Are financial reports prepared according to the unified accounting system capable of rationalizing decisions?
2. Is there a possibility of comprehensive reporting under the application of Sustainability Accounting to provide comprehensive information on sustainable performance to reduce the risks of Covid-19?

Research Objectives:

The research seeks to achieve the following:

1. Introduce the concept of sustainability accounting and comprehensive reports.
2. Clarify the crisis and risks of Covid-19.
3. Explain the importance of comprehensive reports in light of the application of sustainability accounting to reduce the risk of Covid-19.

The research hypothesis:

The research seeks to test a basic hypothesis that the preparation of comprehensive reports in light of sustainability accounting contributes to reducing the risks of Covid-19.

The importance of research:

The importance of research comes through the importance of accounting for sustainability in its dimensions represented in the economic, environmental, social, technological and the risks and governance related to it through criteria for sustainable activities that are indicated by providing comprehensive information on the comprehensive performance of private educational units through comprehensive reports Rationalize stakeholder decisions, particularly management at all levels and society, to reduce the risks of Covid-19.

Definition of sustainable development

Several definitions of sustainable development were mentioned as they were defined in the Brundtland Report as development that meets the current needs without compromising the ability of future generations to meet their own needs (SASB, 2017: 2), and it is defined as development that is based on the principle of optimal utilization of available resources with the aim of raising the standard of living To include future generations alongside the present generation (Al-Shafi'i, 2012: 13).

The researchers believe that sustainable development is the process of optimizing the available resources in all dimensions of economic, environmental, social and technological that leads to meeting the needs of current generations without compromising the ability of future generations to meet their needs, and for the purpose of disclosing sustainable activities, sustainability accounting has emerged.

Definition of sustainability accounting

Some researchers believe that sustainability accounting is an information system that specializes in the functions of measuring the environmental, social and economic performance of the economic unit and communicating the results of measurement to stakeholders to ensure assessment of the unit's contributions to achieving sustainable development (Badawi and Al-Beltagi, 2013: 38), and it is also known as tools to ensure that business The economic unit was conducted according to the principles of social responsibility or sustainable development and informing stakeholders of sustainable performance (Hyrslava et al, 2015: 608), and accounting and disclosure of sustainability is seen as a supplement to financial accounting, as financial information and sustainability information can be evaluated side by side and provide a

comprehensive view of the unit's performance and creation Value, both financial and non-financial, and across all forms of capital (SASB, 2013: 3).

The researchers believe that sustainability accounting is an information system that is interested in recording, classifying and summarizing events in many economic, social, environmental and technological fields as well as risks and governance in order to provide useful information on sustainable performance through comprehensive reports to stakeholders to rationalize their decisions.

Sustainability accounting Aims:

Sustainability accounting seeks to achieve the following (Hyrsova et al, 2015: 608):

1. Developing the horizons of the accounting system.
2. Improve the economic performance of the economic unit.
3. Measuring sustainable performance (Dragomir, 2011: 386).

Accounting delivery: represents the third function of accounting after identification and measurement, and is intended to communicate information that has been processed to stakeholders through reports for the purpose of rationalizing decisions (Weygandt et al, 2002)

Financial reports: Financial reports are defined as a means of communicating information that is prepared by the unit to beneficiaries and that contains financial statements, the auditor's report, the report of the board of directors (Schroeder et al, 2009: 570-571).

Reports are one of the most important sources of information that stakeholders in the economic unit depend on in making their various decisions. These reports are the main means for disclosing financial and non-financial information and financial statements represent the central part of financial reports (Al-Shami, 2009: 50).

Financial reporting objectives: These objectives are as follows (kieso et al, 2018: 4-5):

- a. Providing useful information in rationalizing investment and credit decisions for current and prospective investors and lenders.
- B. Provide useful information that helps investors, lenders and other users estimate the size, timing, and degree of certainty associated with future cash flows.
- C. Provide information about the unit's resources, liabilities and changes in it.

Information to be disclosed in financial reports:

Information is disclosed by the following (Weygandt et al, 2002: 22) (Schroeder et al, 2009: 572-575):

Financial statements: They are represented in the following:

1. Statement of financial position.
2. Income statement.
3. List of shareholders' equity.
- 4- Cash flow statement.
5. Clarifications and notes: The notes include additional information for those presented in the financial statements, and the notes provide a detailed or analytical explanation of the items disclosed in these statements and information about the items that are eligible to be recognized in these statements (Arab Society of Accountants Association, 2009: 2786).

The Auditor's Report: This report is represented by the auditor's opinion of the financial statements prepared by the administration, specifically whether they were presented fairly and in accordance with the generally accepted accounting principles and the auditing process must be carried out according to the accepted auditing standards.

Board of Directors Report: This report is represented by discussions and analyzes of the administration, which is mainly concerned with assessing the causes and interpretation of the justifications for the performance of the economic unit during the previous period (improvement or deterioration).

The traditional reports do not include information on sustainability, so some countries, including Italy, have passed major laws on social and environmental impact that include procedural fairness and transparency and avoiding the phenomenon of confiscation of resources belonging to all stakeholders in order to provide true and correct representation of the state of economic and financial unity (Vallesi et al. , 2012). Based on the foregoing, it can be said that the traditional reports prepared by the units do not contain sustainability information in order to facilitate the process of understanding them from all stakeholders. Therefore, reports should be prepared in a manner consistent with sustainability accounting in order to improve the quality of information.

One of the researchers believes that the delivery of information is through the integrated report that is prepared by the economic units that adhere to the requirements of sustainable development and that contains the financial statements and tables attached to it and the report of the auditor and the report of the board of directors, which is complete with the dimensions represented by the economic, environmental and social, and with the aim of providing confidence in Unit, its activities and its operation The integrated report must be reliable through its audit by qualified auditing offices (Jordi, 2016: 348-349).

Units require independent external confirmation to support the credibility of these reports. Independent external confirmation may give support, as well as the internal mechanisms of those charged with governance. The integrated report framework provides standards for units and assurance service providers to assess unit compliance with reporting (Hayes et al., 2016: 844), and invitations are based on greater assurance of sustainability information, and it appears to be highly certain that the interests of investors and creditors from assessing sustainability risks in decision-making may It has been largely ignored previously and is only now being realized (Gary et al, 2012: 107-108).

Based on the foregoing, it can be said that sustainability accounting consists in identifying, measuring and communicating information related to all dimensions of sustainability accounting (economic, environmental, social, technological, governance, risks) to all stakeholders, and the information should be comprehensive for the performance of the sustainable unit in order to rationalize their decisions, therefore You can take advantage of the sustainability accounting standards issued by international organizations and their guidance in their application in the Iraqi economic units to provide comprehensive, unified information to stakeholders to rationalize their decisions and improve the reputation of these units through compliance with sustainable standards.

The new challenge for CSR is how to be more accountable to stakeholders. Accountability is the duty to provide information to stakeholders who have the right to do so and is closely related to the units' social responsibility concepts. It is an essential component of business strategies for sustainability. The aim of sustainability accounting is to prepare accounts related to unit interactions with society and the natural environment (Persic et al, 2017: 7-8).

Sustainability is, in principle, based on the same idea of imposing traditional continuity, but the period extends to the time required to achieve sustainability Aims including product service and sale, and environmental cleanup (Fagerstrom et al, 2016: 6).

Sustainability reporting is an attempt to provide additional accounts that will capture some external factors to encourage behavior that will mitigate the effects of unattended economic activity (Oana, 2009: 107).

The factors supporting the integration of sustainable development in accounting practice are as follows (Parkin, 2003: 8-10):

- Saving Money.
- Governance.
- reputation.
- Risk Management.

Hence the need to move towards what is known as unit sustainability, as the omission or lack of disclosure of sustainability information makes the financial report misleading and does not give information that reflects all aspects that constitute the value of the unit, which affects the decisions of the users of the report information, which is the primary source of information for multiple decision makers. Therefore, it must be prepared in accordance with sustainability accounting.

Comprehensive Reports:

The preparation of annual comprehensive reports for economic units in light of sustainability accounting aims to provide useful information to stakeholders as it includes the dimensions of sustainability accounting represented by economic, environmental, social, technological, governance and risk, and therefore they provide financial and non-financial information unlike Annual financial reports that focus on financial information to provide useful, comparable information. The comprehensive report contains the financial statements and the accompanying tables, the report of the auditor, and the report of the Board of Directors including the previous dimensions of sustainability.

Objectives and advantages of comprehensive reports

There are many Aims and benefits for comprehensive reporting, which can be illustrated by Balati (Muller & Sebastiaan, 2011) (Lutfi, 2011):

1. Increasing the reputation of the economic unit and its trademark.
2. To act as a catalyst for creativity, monitor progress, and as a guideline and reference for future initiatives.
3. The ability to improve the level of influence on society, and to make economic unit activities that lead to legal environmental and social impacts in line with the requirements of sustainability.
4. Evaluating the opportunities and risks for the unit, managing it and obtaining new opportunities.
5. Reducing cost by eliminating waste and improving efficiency (cost efficiency).
6. Improve the quality of the information in the reports.
7. Involve stakeholders in the information exchange process.
8. Determine what the unit is doing regarding environmental, health and safety issues.
9. Establishing principles of governance in order to achieve sustainable development.
10. Increase transparency and accounting accountability within the economic unit.
11. Support control operations, motivate employees, and provide information about the unit's internal operations.
12. Preparing indicators and guides on overall performance.

The involvement of stakeholders is an important part of the performance of sustainability, because their interests, aspirations and needs do not refer only to the point where it should focus on economic, environmental and social efforts, but with the purpose of achieving the success of the petroleum (2013). The researchers believe that the inclusion of some sustainability accounts in the comprehensive reports should be organized according to the sustainability accounting to be beneficial to the stakeholders.

Contents of comprehensive reports

The most important contents are as follows (Babel Bank, 2016) (Arab Bank, 2018):

First - International comprehensive financial statements and their annexes.

Second - the auditor's report.

Third - The report of the Board of Directors. The most important paragraphs may be clarified:

1. A statement of the names of the chairman and members of the Board of Directors and the shares they own.
2. A statement of the number of General Assembly and Board of Directors meetings during the year regarding discussion of the annual report and its approval by the auditor and the most important decisions regarding the conduct of business.
3. Clarify future projects and plans.

Contracts concluded by the unit and the revenue verified.

Fourth: The problems and obstacles facing the unit.

Fifth: The organizational structure of the unit, the number of its employees and their qualifications, and the rehabilitation and training programs for employees.

Checking and other confirmations:

The audit is seen as a complete re-procedure of accounting operations, financial accounts, follow-up of daily activities of the economic unit, and ascertaining all operations carried out by accountants, so that the error is remedied in the book before it actually occurs (Abdullah, 2012: 13). Sustainability accounting is a tangible manifestation of the company's commitment to transparency "through all" forms of accounts that go beyond economic accounts ", and business organizations can initiate their activities and users to assess whether the unit is socially, financially and environmentally responsible (Eswarlal et al: 2).

The comprehensive reports of the educational units

Emphasis was placed on educational units, after which educational units have effects on the environment and society and are able to reduce the risks of Covid-19. The focus was on the income and budget statement as follows:

1. The adjusted income statement, with the burden of fulfilling responsibility for the sustainable activities of educational units
2. The amended financial position list to fulfill responsibility for sustainable activities of educational units
3. The financial statement of the effects of the lack of responsibility on the sustainable activities of the educational units:

The Auditor's Report:

The auditor shall express his opinion on the comprehensive lists that are the responsibility of the administration and specifically whether they are prepared fairly and in accordance with the sustainability accounting standards, and the report must be prepared in accordance with the sustainable auditing standards previously An auditor or auditor with experience in sustainable activities.

Board of Directors Report:

A discussion and analysis of management is made, which specializes in evaluating the reasons and justifications for the unit's performance during the period and its commitment to sustainability accounting standards.

Covid-19 risk under sustainability accounting

3-1: Introduction to Covid-19 (Covid 19): A common virus that causes mild respiratory infection, rarely fatal, which was discovered in 1960, the first viruses discovered were to cause

gastroenteritis in birds especially chickens, and human Covid-19 virus OC43 229E, which affects people with colds, and then other elements were discovered, including: Covid-19 SARS in 2003, Covid-19 human virus NL63 in 2004, Covid-19 human virus HKU1 in 2005, and Covid-19 Virus in 2012, and The new Covid-19 virus is nCoV-2019, as most of these viruses cause a respiratory infection. The name "COVID-19VITUR", which in Arabic means wreath or crown-halo, is derived in Arabic due to the distinctive appearance of viruses (the infectious form of the virus) that appears under the electronic microscope. The presence of villi from surface protrusion, which gives them the appearance in the form of a crown of the king or the solar halo, as these villi are proteins that fill the surface of the virus and determine the host growth (Rasheed, 2020: 1-2).

According to the World Health Organization, the diagnosis can be made by (Rasheed, 2020: 2): 1. The presence of possible symptoms: fever, cough, signs of respiratory infection. 2. Laboratory tests for positive respiratory syndrome in the Middle East: a decrease in the number of white blood cells, especially lymphocytes, and detection of the virus in polymerase chain reaction by taking samples from sputum or washing the bronchial tubes as they carry large amounts of the virus, and pharyngeal swab. 3. Positive radiological examinations confirm the presence of pneumonia: the lower lobes tend to be more involved. 4. A resident or traveler to Middle Eastern countries or near the Arabian Peninsula, where the virus is believed to spread within 14 days before the onset of the disease, or is present in hospitals and care centers (such as a patient, worker, etc.).

The World Health Organization has recommended that all people who have direct contact with suspected cases of Covid-19 virus should: 1. wear a medical mask, protective glasses, wear clean clothing with long sleeves and gloves, clean hands before and after contact with the infected person or his tools or Surrounding and removing personal protective equipment (including clothes, helmets, and glasses) upon completion. 2. Wear the respirator and make sure it is firm. 3. Wear an impermeable apron for some procedures where large quantities of fluid are expected to penetrate the dress. 4. Implement procedures that carry risk of haemostasis, such as intubation in a highly ventilated room with the minimum air changes per hour 6-12 in facilities where there is mechanical ventilation, and not less than 60 liters per second/patient in natural ventilation facilities and requires determining the number of people present in The room is kept to a minimum. 5. Wash hands before and after contact with the affected person, his tools, or his surroundings. 6. The isolation period for the infected persons is unknown, but the isolation period is 24 hours after the symptoms disappear (WHO, 1: 2020).

Regarding the management of this crisis, it is unclear when it will end; Among the many crises throughout history, it became evident that it is necessary to receive support in managing the crisis from all segments of society, and it is also a very important step in which the unity of the nation and the integration of the state and society are manifested; People in such circumstances all share symbiosis, and the rich remember the poor and sympathize with them.

The money raised in the campaigns and aid that the government provides to the segment of the poor itself is much less compared to government aid. But this campaign has a function far beyond that, and it is spreading the atmosphere of social solidarity between citizens, and this is a very important issue, as it leads to an increase in solidarity between citizens on the one hand, and an increase in solidarity between the state and citizens on the other. Furthermore; these help campaigns are on a voluntary basis, and no money is taken from anyone forcing (<https://www.aljazeera.net/knowledgegate/opinions>).

The risks of Covid-19 can be reduced by providing information on the overall performance of the units, whether in the private or public sector, especially private educational units, in light

of the application of sustainability accounting to be provided through comprehensive reports to all stakeholders.

Sustainability Accounting dimensions

The dimensions of sustainability accounting from the researchers point of view are six dimensions: economic, environmental, social, technological, governance, and risks, which can be illustrated by the following (Neculai & Mihaela, 2012: 139) (Mreza, Bachay & Flayyih, 2018):

1. The economic dimension: It is intended to identify, measure and communicate information about the resources of the economic and financial unit to all stakeholders to rationalize their decisions, especially providing information about the funds needed to address Covid-19.
2. The environmental dimension: It is intended to define, measure and communicate information about the natural resources that the unit uses or influence it to all stakeholders to rationalize their decisions, for example, the unit defaults and sterilizes the environment to get rid of air and water pollution.
3. -Social dimension: It means identifying, measuring, and communicating information about human resources that work with the economic unit or outside it (members of society) to all stakeholders to guide their decisions, including those relating to openness to society through the establishment of conferences, seminars and educational workshops for society and human resources and the opening of laboratories to check Samples and production of sterilization, including special care for the human resources of educational units through attention to professors and employees and focusing on professors and employees in the medical field and related specialties such as pharmacy and medical engineering and others, for the purpose of educating human cadres and students and openness to society by transferring a new culture and behaviors outside of the traditional traditions and sterilization from Through networking of students and their families and encouraging the use of e-learning that greatly reduces the spread of the Covid-19 epidemic.
4. Technological dimension: It is intended to define, measure and communicate information about the technology used by the economic unit, whether that related to modern advanced technology for machinery and equipment or information and communication technology to facilitate the process of communicating information to all stakeholders, and that the use of technology for programs, computers, communication channels and social media Providing timely information on health awareness through videos (via visual reports) of the unit's activity in order to increase the awareness of stakeholders of sustainable performance, especially management at all levels, including scientific departments, professors and students, to reach the community.
5. Dimension of risks: It is intended to identify, measure and communicate information related to risk management to which the educational unit is exposed, or the unit's lack of commitment to its responsibility to fulfill sustainable activities to all stakeholders to rationalize their decisions, or the unit's failure to comply with the World Health Organization standards for providing adequate equipment.
6. After Governance: It is intended to identify, measure and communicate information about the application of corporate governance in the educational unit in order to reduce conflict and achieve balance and responsibilities among all stakeholders to rationalize their decisions, and give greater responsibilities to medical colleges and related colleges and others.

Aims of comprehensive, visual reports

The visual reports aim to reduce the effort and time required to obtain the required information, especially in the current era of speed that allows the recipient (user) to access the information quickly, as well as clarify the information in a form (picture) and a visual display of the

recipient, where the picture or video clarifies the topic presented more. It is clear from the written information, in addition to that the visual reports have the ability to communicate information to all ages, that is, they address all groups, whether educated and uneducated, as well as people with special needs (blind, visionless) through the audible visual content via the means transferred to increase awareness. Health to reduce the risk of Covid-19. Based on the foregoing, it can be said that comprehensive information prepared according to sustainability accounting, which is of high quality according to the framework proposed by the researcher (characterized by the characteristics of the common framework between IASB and FASB and sustainability accounting) is able to rationalize the decisions, especially decisions to reduce the risks of Covid-19. This can be illustrated by the information provided in the traditional and comprehensive reports of the educational units.

Results: Traditional and comprehensive reports of educational units

The financial reports of the educational units consist of the financial statements and tables attached to them, the report of the auditor (the Federal Financial Supervision Bureau) and the report of the Board of Directors, and focus will be on the financial statements (income statement and balance sheet) to achieve the aim of the study. The report of the auditor (Federal Financial Supervision Bureau) The financial statements of the economic units subject to audit are examined according to the requirements of the Federal Financial Supervision Bureau Law No. (31) for the year 2011 (amended) and the Companies Law No. (21) for the year 1997 (amended) and other applicable legislations and according to the rules. The norms adopted in this field, and based on the information and clarifications reached, the observer shall express his opinion on the lists prepared by the administration and the management report and it expresses in a clear and fair manner the financial position of the unit and the result of its activity for the year ended, and in accordance with the local rules issued by the Accounting Standards Board. And the oversight in the Republic of Iraq and meet the legal requirements, and the audit process is carried out by the auditor in accordance with the accepted audit standards. Evaluating the reality of the financial report of the educational units: From the presentation of the previous lists and reviewing the reports of the administration and the auditor, it is clear that:

1. The financial statements are prepared in accordance with the common accounting system, rules and instructions issued by the Accounting and Control Standards Board in Iraq.
2. It focuses on providing financial information as well as some limited non-financial information.
3. Includes information on social responsibility in a limited manner.
4. Lack of disclosure of some of the assets and liabilities related to sustainability.
5. The financial reports prepared according to the requirements of the unified accounting system, as well as the reports of the administration and the Federal Financial Supervision Bureau seem to be free of disclosure requirements related to specific matters such as those related to governance policies, such as the disclosure of the foundations used in determining the remuneration of members of the board of directors and executives there, and potential conflicts of interests.
6. There is no list of effects of failure to fulfill responsibility for sustainable activities.
7. The absence of items for students and teaching related to the activity in relation to the virtual college x as well as the absence of divisions of funds such as funds not restricted (absolute) or temporarily restricted and always restricted and in a manner compatible with educational activity.

From the foregoing, the researcher believes that it is necessary to prepare reports that are consistent with current developments to overcome the defects apparent in traditional financial reports, so that these reports are of high quality, as they contain comprehensive information capable of rationalizing the decisions of stakeholders.

Comprehensive listings

Comprehensive lists are prepared (in light of sustainability accounting) through which useful information is provided to stakeholders for the purpose of rationalizing their decisions, in addition to preparing these reports specifically the balance sheet and income list, and given the lack of preparation of reports in educational units that include accounts related to sustainable activities, the researcher He has included accounts related to sustainable activities, whether costs or assets, in virtual amounts to achieve a aim

The report of the auditor (the Financial Supervision Bureau): The comprehensive lists of the educational units subject to audit are composed of the financial position list and the comprehensive income statement for the year ended 12/31/2016, clarifications on the lists, and a summary of accounting policies and reports on sustainability in all its dimensions.

Opinion: The comprehensive lists of the educational units subject to audit appear fairly in all fundamental respects, the financial position, its financial performance and its flows for the year ended December 31 2016, according to Sustainability Accounting.

The basis of opinion: The audit is carried out according to the accepted standards for auditing, and the responsibility according to these standards is detailed in the item of auditors responsibility for auditing the comprehensive lists mentioned in this report, and there is complete independence from the unit in accordance with the rules of professional conduct of the chartered accountants issued by the International Council of Standards of Conduct Professional accountants, in addition to other professional behavior requirements appropriate for the audit of financial statements, have been adhered to the requirements of professional behavior and the requirements of the International Council of Professional Conduct Standards for Accountants, and to obtain sufficient audit evidence and appropriate and provide a basis for expressing opinion, as well as that the auditors have qualifications with regard to activities Sustainable.

Board of Directors Report: The information about the unit is presented to all stakeholders of the unit, and as follows: First: Historical brief: Second: General indicators of the performance of the economic unit. Third: Unit sales. Fourth: Contracts concluded by the unit and the revenue verified. Fifth: Income and expenses, result of activity and reserves. Sixth: The delegations, their number and their amounts. Seventh: The sums spent for advertising and hospitality. Eighth: Problems and obstacles facing unity. Ninth: The unit's commitment to apply the same principles and accounting principles in the application of sustainability accounting and the use of computers and modern programs for financial, auditing and warehouse systems, salaries, wages, shareholders and fixed assets. Tenth: the organizational structure of the unit, the number of its employees and their qualifications, and the rehabilitation and training programs for employees. Other information is disclosed through the following (Petroleum Chemical Industry Company, 2013) (KPC, 2016) (Arab Bank, 2018):

1. International Relations.
2. A presentation of the most important assets and their developments.
3. Report of the Audit Committee.
4. The names of the courses that were held.
5. Social and humanitarian responsibility.
6. Compare the actual data with the plan.
7. Lawsuits in favor of the unit or for the benefit of others.
- 8..Tasks of Banking Awareness and Public Protection Department. In addition to this information, information on international and sustainable trends is presented as follows:

1. Competitive status of the unit: providing information to stakeholders about its competitive position with units operating in the same sector.
 2. Risk Management: Disclosure of all risks to which the unit is exposed to stakeholders, as well as managing and controlling it and potential future risks, especially reducing the risks of Covid-19.
 3. Donations and grants paid: Disclosure of the amounts spent by the unit as donations or grants and the beneficiaries thereof to the stakeholders.
 4. Governance Disclosures: Disclose to stakeholders how the governance is applied and its implementation mechanism and define responsibilities among all stakeholders to prevent conflicts between them.
 5. Sustainability strategy: providing information to stakeholders about the commitment to provide a sustainable and prosperous future through a roadmap that achieves sustainability to contribute to employee and community safety and in strengthening the strength of the unit, and these goals are achieved not independently but rather in cooperation and participation in the areas of health, safety, environment and sustainability and can be demonstrated by the leadership of sustainability Of protecting the environment, a healthy lifestyle, and developing future leaders.
 6. Sustainability Governance: Provide information to stakeholders on the performance of sustainability effectively, to be continuously monitored and properly reported for risk management in general and Covid-19 risks in particular.
 7. Environmental sustainability: providing information to stakeholders on the implementation of initiatives across the business to achieve sustainable goals, these include installing hybrid energy solutions in the region, transmitting and receiving stations, a base to reduce fuel, consumption, carbon emissions and reduce paper consumption; Recycle waste and sterilize areas of the virus.
 8. Economic and financial sustainability: providing information to stakeholders about increasing its revenues, rationalizing its expenditures, and investing financial and material resources in order to achieve profits in a way that contributes to the sustainability of the unit in its business and expansion.
 9. Social sustainability: The units work hard to improve life and give a better life through social development initiatives. Contributing to community development by tackling local and regional issues and promoting educational programs to increase community health awareness.
 10. Sustainability of human resources: The sustainable units teach and train human resources (workers) within the unit on the latest modern devices and equipment, advanced programs and courses, and teach them what is modern to achieve sustainable human development and deliver this information to stakeholders.
 11. International participation: the units and the government are working closely with international bodies working to adopt and apply best practices and guidelines for developing a specific sector, and the unit's program is based on the most stringent international standards in health, safety, transparency and safety, and to obtain support and trust from the international community.
 12. Advanced technology: Sustainable units use modern and clean technology that preserves the environment and prevents pollution from gas emissions to maintain the health and safety of society.
 - 13- Knowledge and employment for high skills: Knowledge and employment of highly skilled people is represented
- As pillars of sustainability, the units strive to retain the competencies and expertise of professionals to ensure their business model. Transparent Reports: The economic units that implement sustainability standards integrate the transparent reporting axis as one of the main axes of the sustainability strategy in order to provide information with high transparency to

enhance communication with all stakeholders and to enhance confidence, good reputation and accountability principles to know and manage risks properly. It is noted from the comprehensive reports that it contains all the information, especially the information on the risks of Covid-19 virus, which are used by stakeholders to make rational decisions regarding contributing to curbing future virus outbreaks. Based on the foregoing, it can be said that the information contained in comprehensive reports prepared under sustainability accounting is used in all decisions, especially decisions to reduce the risks of Covid-19.

Conclusions:

A set of conclusions were reached on the theoretical and practical side, as follows:

1. Sustainable development aims to optimize the use of resources to meet the needs of present generations without prejudice to meeting the needs of future generations. In addition to the economic dimension, they include social, environmental and technological dimensions, risks and governance.
2. Sustainability accounting aims to measure the events of all its economic, social, environmental, technological, risk and governance dimensions in order to provide useful information on sustainable performance through comprehensive reports to stakeholders to rationalize their decisions.
3. Reporting sustainable performance through compliance with sustainability standards leads to improved unit reputation and increased transparency.
4. The Covid-19 virus is transmitted by splashes, sneezes and touches.
5. Virus leads to the collapse of all social, health, economic, financial and accounting fields in the absence of sufficient information.
6. Using the technological dimension to properly account for sustainability leads to the provision of timely information on reducing the risks of Covid-19 through videos of unit activity through visual reporting with the aim of increasing stakeholder awareness of sustainable performance.
7. The preparation of comprehensive international reports for economic units in light of sustainability accounting gives a clear and real picture of the unit's sustainable performance in all dimensions of sustainability accounting represented by economic, environmental, social, technological, governance and risk and provides useful information to rationalize stakeholders' decisions related to reducing the risks of Covid-19.
8. The preparation of comprehensive reports in light of the sustainability accounting in the private educational units contributes to reducing risks, especially the risks of Covid-19.

Recommendations:

Based on the previously mentioned findings, the researchers recommend the following:

1. Paying attention to the dimensions of sustainable development by the economic units in order to optimally utilize resources to meet the needs of the present generations without prejudice to meeting the needs of future generations.
2. Implementing sustainability accounting in Iraqi economic units with the aim of measuring events related to all their economic, social, environmental, technological, risk and governance dimensions to provide useful information on sustainable performance through comprehensive reports to stakeholders to rationalize their decisions.
3. Reporting sustainable performance in Iraqi educational units by complying with sustainability criteria to improve unit reputation and increase transparency.
4. Decisions must be issued to prohibit roaming, or to conduct unusual behaviors and behaviors in our society, such as handshaking, etc., or a two-meter spacing to prevent the spread of the Covid-19 virus.

5. Virus leads to the collapse of all social, health, economic, financial and accounting fields in the absence of sufficient information.
6. Utilizing the technological dimension to properly account for sustainability in private educational units to provide timely and specific information about the risks of Covid-19 through videos of the unit's activity through visual reports in order to increase stakeholders' awareness of sustainable performance.
7. Preparing comprehensive international reports for economic units under the criteria of sustainability accounting to give a clear and real picture of the unit's sustainable performance in all dimensions of sustainability accounting represented by economic, environmental, social, technological, governance and risks, and it provides comprehensive and unified information to rationalize stakeholders' decisions, especially reducing the risks of Covid-19. .
8. Implementing sustainability accounting in government units to get rid of crises and manage risks in line with the requirements of the current environment.
9. All private educational units and units should prepare comprehensive reports in light of sustainability accounting to reduce risks, especially Covid-19 risks.

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The impact of knowledge management on the strategic flexibility: A literature review

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Abstract

The current research through its chapters allows to achieve a competitive advantage for the bank in the private sector, through the influence of knowledge management as a variable independent of its dimensions (creating and acquiring knowledge, storing knowledge, organizing knowledge, sharing knowledge, applying knowledge) in strategic flexibility as a responsive variable which includes its dimensions (Strategic flexibility, human capital flexibility, competitive flexibility, market flexibility), where the research was applied in the Rafidain Bank, the Seville branch in Baghdad, where researchers relied on the questionnaire in the method of collecting information and extending the questionnaire to the employees and heads of departments and the number (24) questionnaire and used a number Among the statistical methods (iterative distribution, percentages, mean, standard deviation, variation coefficient, stability coefficient, alpha electrocardiogram, Pearson correlation coefficient, simple linear regression model), the study concluded that there is a correlation and influence between knowledge management and strategic flexibility.

Keywords: knowledge management, Strategic flexibility.

Introduction

Strategic flexibility represents one of the contemporary intellectual developments in the philosophy of modern strategic management and response to the market. Strategic flexibility is the main guide for the facility. By managing information, you can collect and process data to obtain information that is a way to make the right decision or action as you must have a wide range of information and information that all have. Where organizations together require government banks that enjoy a high reputation based on the historical basis and have trusted the public in them, whatever its size, to know the activities carried out and the positions of developments that occur in the banking sector and because government banks are characterized by red tape and high rigidity that leads to the loss of their market share in the banking sector, The importance of the research was launched in support of government banking institutions to continue the processes taking place in all areas and to catch up with them and adapt to them, where you can search to achieve a competitive advantage with the research organization in the banking sector.

The research includes four chapters, the first chapter represents the general framework for searching for, the first research where this research dealt with some previous studies related to

research variables (knowledge management, strategic flexibility), the second research is devoted to the research methodology. As the second chapter departs, the theoretical aspect of the research deals with (it is on the search for children knowledge management and the second is strategic flexibility), while in the third chapter the practical aspect of the research consists of the first research (describing the description and diagnosis of research variables, and the second test and analysis of the correlations and impact between the research variables, and concluded The research in the fourth chapter to review the theoretical conclusions and work in the first research, and dealt with the second, to complete the research with sources and appendices.

Research Methodology

This topic deals with the research problem, the importance of research, research objectives, hypothesis, research hypotheses, tools for gathering information, research society and sample, and the statistical tools used.

Research problem

Organizations, including government banks that enjoy a high reputation based on the historical basis and have trusted the public in them and whatever their size, need to know the activities they undertake and keep abreast of developments in the banking sector that occurred after the year 2003 and to enter new banks and because government banks are characterized by red tape and high rigidity that leads to Losing its market share. Therefore, the researched organization (Rafidain Bank) is supposed to tend to use strategic flexibility as a condition to increase the organization's ability to face important and rapid changes that rapidly change the markets efficiently and effectively, and to have the ability to choose between the available alternatives and since most organizations need To specific strategies and strategic flexibility that can achieve a competitive advantage and the reason for its lack of strategic flexibility due to the procedures followed and official in making central decisions, that is, the authority is in the hands of senior management and only it is the one who makes decisions and managers at the level of senior management may be the reason for the lack of strategic flexibility Therefore, knowledge management and its role, which contribute to providing a large amount of information, were chosen At and building organizations and developing them and using the latest technologies necessary to provide services and keep pace with changes and the development of staff to get rid of the routine and stagnation that exist in government banks. Hence, it can be said that strategic flexibility focuses on the importance of building resources and capabilities that enable the organization to respond to the adaptation of actors and this is done through knowledge management.

What the researcher will try to highlight in the light of the research the following questions:

- 1) To what extent is the interest of knowledge management interested in the surveyed organization?
- 2) Is there faith within the research organization of managers and senior leaders to resort to strategic flexibility?
- 3) Is the administration within this organization secure the competitiveness generated by the private sector banks?
- 4) Do they have policies and strategic plans that can keep abreast of developments in the markets?

Research importance

The importance of the research begins in explaining the relationship and the successful application of the dimensions of knowledge management and the dimensions of strategic flexibility in banks, and therefore the importance of the study lies with the following:

- 1) It addressed the knowledge management model and strategic flexibility as an entry point for development and progress in banks, as they are one of the most recent management approaches.
- 2) Focusing on these two variables and linking them contributes to finding the competitive advantage of any organization and helps it to regenerate and adapt to the surrounding environment in order to suit the continuous change taking place in our current era in various aspects and to test the best ways to achieve this.
- 3) The research contributes to supporting Iraqi banking institutions to keep abreast of the changes taking place in all areas and to catch up with them and adapt to them.
- 4) The scarcity of studies that examined the relationship between knowledge management and strategic flexibility in the banking sector.

Research aims

The researcher seeks in the theoretical and scientific side, and based on the aspects of the research problem, its objectives can be determined as follows:

- 1) The research aims to achieve a competitive advantage with the researched organization in the banking sector.
- 2) Knowing the level of availability of knowledge management in the researched organization.
- 3) Provide a picture of the decision makers about the degree of availability of knowledge management in the researched organization.
- 4) Attempting to come up with some recommendations and proposals that can assist the researched organization and in general in finding solutions to the obstacles that create an effective organization from them.

Search variables

The dimensions of the variables were chosen according to the intellectual and literary surveys because of the available sources according to the following variables:

- 1) The independent variable: represents knowledge management with its dimensions represented in (creating and acquiring knowledge, storing knowledge, organizing knowledge, sharing knowledge, applying knowledge).
- 2) The dependent variable: represents the strategic flexibility with its dimensions represented by (productivity elasticity, human capital flexibility, competitiveness flexibility, market flexibility)

Research Hypotheses

There is a significant relationship of influence from knowledge management to strategic flexibility. From this main hypothesis, a group of sub-hypotheses emerges as follows:

- 1) There is a statistically significant effect of the variable to create and gain knowledge on strategic flexibility.
- 2) There is a statistically significant effect of the variable of knowledge storage on strategic flexibility.
- 3) There is a statistically significant effect of the variable of knowledge organization on strategic flexibility.

- 4) There is a statistically significant effect of the knowledge sharing variable on strategic flexibility.
- 5) There is a statistically significant effect of the variable applying knowledge on strategic flexibility.

Information collection tools

The researcher has adopted two aspects:

- 1) Theoretical aspect: Arab and foreign sources that dealt with research variables and the books, research, messages, periodicals and magazines published on the International Information Network (Internet) that are relevant to the subject of the study.
- 2) The practical side: the researcher relied on the questionnaire as being the main source for collecting information and data prepared for this purpose and presented to a group of interested and specialized for the purpose of standing on the exchange of content and its intentions, and in light of the problem and its questions and hypotheses the researcher developed the research questionnaire consisting of three sections the first section contains On the personality and functional variables of the research community, the second section devoted its paragraphs to the variable Knowledge Management (creating and acquiring knowledge, storing knowledge, organizing knowledge, sharing knowledge, applying knowledge), (Al-Shaibani, 2014), and the third section devoted its paragraphs to the variable strategic flexibility (productivity flexibility, flexibility Human Capital, Competitive Resilience, Market Resilience), (Abed, 2016).

Society and research sample

The researcher relied on the questionnaire in the method of collecting information and data, where one of the organizations was chosen the banking sector / Rafidain Bank (Seville branch) because it is one of the important organizations in the government, and the narrow random sample was deliberately chosen and this is due to the nature of the variables (knowledge management - strategic flexibility). Distributing the questionnaire to the employees, heads of departments, and workers, whose number is (24).

Statistical tools used

The researcher relied to measure the research variables on a number of measures used by some researchers, including:

- 1) Percent to measure the percentage of results from 100%.
- 2) Frequencies To find out the number of iterations the sample answered.
- 3) Mean mathematical mean (Means) to measure the average responses of the sample members to the paragraphs.
- 4) Standard Deviation for knowledge of harmony and dispersion in the sample responses to the arithmetic mean of the variables.
- 5) Coefficient of variation to determine the most important variables.
- 6) Correlation coefficient (Person) to measure the degree of relationship between study variables.
- 7) Simple linear regression coefficient, which includes tests (T, F, A, B, R2) to measure the effect of independent variables on the response variable.

The concept of knowledge management

Knowledge received a lot of attention in that the differences in identifying knowledge encouraged scientists and researchers in the field of administrative psychology, sociology, organizational

behavior and management science to increase interest in cognitive studies within administrative directions because it is the term knowledge indicates that it is a mixture of experience, management, skill and values as well as The capabilities of intuition, imagination and remembrance, and the importance of knowledge lies in the fact that it indicates the human being is surrounded by the things that revolve around him and knowledge of how to manage phenomena and address them (Al-Shammari, 2006: 10). KM Knowledge is a contemporary management concept that has taken the concerns of the literature related to it both quantitatively and qualitatively, there is no inclusive concept of knowledge management due to the breadth of its field and its dynamics and the diversity of its fields, and despite the introduction of knowledge practices of human beings and organizations as behavior, but knowledge management is one of the contemporary scientific fields, has been addressed by many From researchers and from multiple approaches depending on their different specializations, such as the entrance of intellectual capital as tacit knowledge and the entrance of systems and information as explicit knowledge (Al-Janabi, 2013: 157). Knowledge management in its current concept was the result of the contributions of Peter Drucker in the seventies and Sivapi in the eighties and then nonaka & akeuhi in the nineties and accompanied the qualitative development in information technology and the speed of computer systems which are fundamental characteristics and provided enormous integration energies for information technology with other types of technology, the researcher tries to classify the concept of knowledge management according to classifications Contemporary writing on this topic (Al-Naimi, Atheeb: 2016: 5). Knowledge management refers to the systematic and deliberate efforts made by the workforce in the organization to manage knowledge, which can be achieved through a wide range of means, which includes direct means through the use of certain types of information and communication technology, as well as indirect means through the management of social processes , Structuring organizations in certain ways, using a specific culture, or managing individual practices (Hislop, 2009), citing (Abed, 2016: 24). Many researchers and writers contributed their opinions on the concept of knowledge, and their contribution is focused on formulating various connotations of knowledge according to their own perspective in light of the three transformations that have occurred towards knowledge (the communications revolution, the information revolution, industry). Knowledge management is the processes that can assist the organization in disseminating, developing, expanding and organizing organizational knowledge, to achieve sustainable competitive advantage in complex impact environments from internal and external factors (Yuun –Frng, 2009)), citing (Al-Shaibani, 2014: 40).

Knowledge management Aims

The Aims of knowledge management can be clarified through the following points (Alyan, 2012: 172):

- 1) Simplifying operations and reducing costs by eliminating lengthy or unnecessary procedures.
- 2) Adopting the idea of creativity by encouraging the principle of pushing ideas freely.
- 3) Create a common source of knowledge.
- 4) Help the organization to develop its employees' knowledge and organize their accumulated experiences
- 5) Improving the image of the institution and developing its relationship with similar ones.
- 6) A motivational tool for creative abilities.

The importance of knowledge management

The importance of knowledge management can be illustrated by the following points (Ziadat, 2008: 60), (Al-Kubaisi, 2005: 42):

- 1) It maximizes the value of knowledge itself by focusing on the content.
- 2) Support efforts to take advantage of all tangible and intangible assets.
- 3) One of the most important factors that mainly help in achieving success and creativity in various areas of life.
- 4) The importance of using knowledge management relates to the importance of making the right decisions at the right time and place.
- 5) Knowledge management allows the organization to define, develop, share, apply and evaluate the knowledge required.
- 6) Contributes to motivating organizations to renew themselves and confront unstable environmental changes.

Knowledge management dimensions

This paragraph deals with the statement of the most important dimensions that depend on it in the study of research in the light of the dimensions identified by researchers, which the researcher has seen, where the following dimensions were chosen (creating and acquiring knowledge, storing knowledge, organizing knowledge, sharing knowledge, applying knowledge), and each After, briefly and according to its sequence, as follows:

- 1) Creating and acquiring knowledge: Creating knowledge means creating knowledge at a number of writers, by participating in work teams and work groups to create new knowledge capital that contributes to defining problems and finding new solutions to them in a continuous, innovative way, and this reinforces the need to understand that knowledge and innovation are a dual process Two-way: Knowledge is a source of innovation and innovation when it comes back to knowledge and access to knowledge is the process of adding value to previous knowledge through innovation and creation, and if the organization does not obtain new knowledge it will not survive. (Al-Ali, 2006: 26)
- 2) Knowledge storage: The storage process relates to the process of retaining, coding, sustaining, accessibility, confidentiality, official, protection, and retrieval, meaning that the process of storing knowledge allows the coding of knowledge, its representation and its status in various forms that can be accessed, raised, transferred, and allows the results of knowledge to be presented, To be available to others inside and outside the organization (Al-Kubaisi, 2002: 73).
- 3) Knowledge organization: Another important process for knowledge management is the KO knowledge organization, which is the process of interpreting and describing available data and information and is collected and retrieved by empowering employees in the shortest time possible to achieve knowledge integration (Theriou & Aggelidis, 2009), citing (Al-Shaibani 2014: 54) .
- 4) Knowledge sharing: It is the first step in the process of using knowledge, and it means delivering the appropriate knowledge to the right person at the right time and the appropriate cost, which is the process of transferring knowledge, and transferring it to the employees who need it at the right time in order to carry out fundamental tasks and that sharing knowledge helps to spread experiences Interior, experiences and knowledge, which will provide workers with unlimited solutions to decisions, provide learning, and enable them to respond to environmental change at the lowest costs, thus restricting organizations from their distinct capacity and competitiveness (Obaid, 2017: 1752)

5) Application of knowledge: The importance of knowledge lies in the possibility of its application at this stage, which is implemented using, using, and investing the knowledge that is obtained, that the benefit from the knowledge is through its use and application for the purpose of benefiting from it in the production of new products and services that gain the organization its competitive advantage, as is benefit From them by withdrawing them from people for the purpose of learning and the application process refers to benefit, use, and reuse, so successful management is the one that uses the available knowledge at the appropriate time to achieve an advantage for it or solve an existing problem (Al-Kubaisi, 2005: 50).

The concept of strategic flexibility

The concept of strategic flexibility includes the ability of organizations to quickly respond to opportunities and environmental changes, so organizations must recognize strategic flexibility as a result of its necessity to achieve a new competitive advantage for several reasons, including: that strategic flexibility is a requirement to increase the ability of organizations to confront important and rapid changes that rapidly change markets efficiently Effectively, enabling it to manage its activities under these difficult circumstances, and it is necessary to adopt it to manage the state of continuous change in the market of high-tech products (Zaatari, 2013: 24). Strategic flexibility reflects the organization's ability to adapt to take advantage of future opportunities, and that these opportunities may appear suddenly when changes occur in the environment, and may require a number of responses, so it is necessary for the organization to discover and maintain a sufficient set of unfamiliar responses in order to effectively adapt to it, and that Organizational resilience requires the creation of an internal environment characterized by the ability to respond quickly to any change in the market, as well as to expected and unexpected threats and opportunities (Sharma, 2010), citing (Al-Shammari, 2017: 315). Strategic flexibility is the organisation's studied ability to monitor, evaluate and act To invest the available opportunities in the changing competitive environment and reduce its threats Makinnon et al, 2008)) (quoting Rashid, Hamid, 2019: 37). As for strategic flexibility through the resource-based approach, it is defined as the organization's ability to reallocate and reorganize its organizational resources and operations. And its strategies for dealing with environmental variables ((Sanchez R, 1995, citing (Al-Dahan, 2018: 16).

Entrances to strategic flexibility

The literature on strategic management includes several approaches to strategic flexibility that can be reviewed as follows:

1) disruptive to organizational change

This entry reflected the processes of change that occur in the organization's structure and organizational levels as a result of threats and opportunities that the environment surrounding the organization creates, especially since the contemporary environment within which the organization operates is an environment of uncertainty, so it is necessary for the organization to have sufficient strategic flexibility to keep pace with those changes in a way that helps it To stay and continue working, and to achieve the Aims you seek (Hussain, 2016: 57).

2) Career entrance

The initial studies that dealt with the concept of strategic flexibility confirmed that strategic flexibility is manufacturing flexibility and that a large part of these studies was devoted to the study of manufacturing systems, which represented by its first seed a study of the American Ford Company that worked on the concept of economies of scale and the ideas on which the career entrance relates to a system The extensive production adopted by the American company Ford,

through which it focused the standard of outputs, and benefiting from the benefits of economies of scale (Al-Abadi, 2018: 41).

3) The entrance to the strategic maneuvers

This approach includes strategies (offensive and defensive) to achieve strategic flexibility as it focuses on what is known as (the stimulating event), i.e. the unexpected emergency situation, and offensive maneuvers lie in owning the initiative and exploiting opportunities, while defensive exercises are preventive and corrective (such as (guarantee against loss, And repairing the damage.) (Al-Madhidi, Al-Ta'i, 2011: 123)

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Results: Description and diagnosis of search variables

It appears to us from the results according to the views of the research sample regarding the variable (knowledge management), as the value of the mean of this variable was 3.06), which indicates that the sample gives great attention to this variable, and a standard deviation of its value (1.109), which indicates a good homogeneity in Answers, and the relative importance of this variable (62.5) and a coefficient of its value difference (37.45) were recorded, indicating the agreement of most members of the research sample on the paragraphs of the independent variable. And from it we infer that the bank workers clearly depend on (creating and acquiring knowledge, storing knowledge, organizing knowledge, sharing knowledge, applying knowledge) in their plans, but with varying proportions.

The importance of secondary variables within knowledge management was distributed among the highest level of answer achieved by the secondary variable (creation and acquisition of knowledge) among all secondary variables within the independent variable with an arithmetic mean of (3.23) and a standard deviation of (1.09), and relative importance formed (66%) with a different coefficient (34.6), including documenting the dependence of workers in the research organization in a large way on creating and acquiring knowledge in determining knowledge management based on the answers of the research sample, while the secondary variable (knowledge sharing) achieved the lowest level of response among the secondary variables within knowledge management if the value of the arithmetic mean for this The variable (2.81) and the standard deviation of the variable (1.2), and the relative importance of (57.2%) and with a different coefficient of (41.6), and this confirms the agreement of most members of the research sample on the presence of a clear weakness in the dependence of workers in the research organization on the sharing of knowledge in determining knowledge management. Whereas, the results of analyzing the levels of significance of the answers of the research sample regarding the secondary variables within the knowledge management variable were as follows:

1- Statistical results showed the levels of significance of the items of the variable of creation and knowledge acquisition. The highest level of answer achieved by paragraph (1) among all paragraphs of the variable of creation and acquisition of knowledge with an arithmetic mean whose value was (3.60) and with a standard deviation ((0.78), and relative importance formed (78.37%) and with a different coefficient of difference. It reached ((21.63) to confirm that agreement among most members of the research sample on this paragraph, this indicates that the bank is able to acquire and create knowledge from its internal and external sources (customers, competing companies and partner organizations), while achieving a paragraph (2) below the rank in the arithmetic mean (58.3) .

2- The statistical results showed the levels of importance of the items of knowledge storage variable, the highest level of answer achieved (5) among all paragraphs of the variable of knowledge storage, with an arithmetic mean whose value was (4.13) and with a standard deviation

((0.74), and relative importance formed (82.04%) and with a coefficient of variance of ((17.96 This confirms that most of the research sample agree on this paragraph, this indicates that the bank has databases for storing and collecting knowledge that can be accessed easily, while paragraph (6) achieved the lowest rank in the arithmetic mean (2.54).

3- The statistical results showed the levels of importance of the paragraphs of the variable of knowledge organization, the highest level of answer achieved by (11) among all paragraphs of the variable of knowledge organization with an arithmetic mean whose value was (3.58) and with a standard deviation ((1.06), and relative importance formed (70.43%) and with a different coefficient of ((29.57 This confirms that most members of the research sample agree on this paragraph, this indicates that workers benefit from the data and information returned, especially related to new ideas of knowledge, while achieving a paragraph (12) lowest rank in the arithmetic mean (2.63).

4- The statistical results showed the levels of importance of the items of knowledge sharing variable, the highest level of answer achieved by (13) among all items of the knowledge sharing variable with an arithmetic mean whose value was (3.42) and with a standard deviation ((1.34), and relative importance formed (60.53%) and with a different coefficient of ((39.47 This confirms that most of the research sample agreed on this paragraph, this indicates that the bank uses modern technical means such as the Internet and internal computer networks, while paragraph (15) achieved the lowest rank in the arithmetic mean (2.33).

5- The statistical results showed the levels of importance of the knowledge application paragraphs, the highest level of answer achieved by (17) among all paragraphs of the knowledge application variable with an arithmetic mean whose value was (3.21) and with a standard deviation ((0.83), and relative importance formed (74.04%) and with a different coefficient of (25.96) This confirms that most members of the research sample agree on this paragraph. This indicates that workers have multiple methods aimed at developing their knowledge to apply them in different activities, while paragraph (20) has achieved a lower rank in an arithmetic mean (2.58).

Statistical description of the dependent variable strategic flexibility

Table ((8) shows the results according to the views of the research sample regarding the variable (strategic flexibility), as the value of the mean for this variable was 3.06), which indicates that the sample gives great attention to this variable, and a standard deviation of its value (1.10), which indicates Significant dispersion in the answers, and the relative importance of this variable (63.4) and a coefficient of its difference value (37.17) were recorded, indicating the agreement of most members of the research sample on the paragraphs of the dependent variable. From it we infer that the bank's employees clearly depend on (productive flexibility, human capital flexibility, competitive flexibility, market flexibility) in achieving strategic flexibility, but with varying proportions. The importance of the secondary variables within the strategic elasticity was distributed among the highest level of answer achieved by the secondary variable (productive flexibility) among all secondary variables within the dependent variable with an arithmetic mean of (3.51) and a standard deviation of (1.08), and a relative importance that formed (69%) with a different coefficient (29.29), to document the dependence of workers in the research organization significantly on productive flexibility in determining strategic flexibility based on the answers of the research sample, while the secondary variable (human capital flexibility) achieved the lowest level of response among the secondary variables within the strategic flexibility if the value of the arithmetic value of this The variable (2.89) and the standard deviation of the variable (1.20), and a relative importance of (57%) and a different coefficient of (42.59), and this confirms the agreement of most members of the research sample on the presence of a clear weakness in the

dependence of workers in the research organization on the flexibility of human capital in determining flexibility The strategy, while the results of analyzing the levels of significance of the answers of the research sample regarding the secondary variables within the strategic elasticity variable were as follows:

1- Statistical results showed the levels of importance of the items of the elasticity of productivity variable, the highest level of answer achieved by ((21 among all paragraphs of the variable of productive elasticity) with an arithmetic mean of (3.79) and a standard deviation ((0.88), and a relative importance formed (77%) and with a coefficient of variance reached (21). 23:30 This confirms that most of the research sample agreed on this paragraph, this indicates the commitment of the bank's administration to produce a variety of services, while a paragraph (22) achieved a lower ranking in an arithmetic mean (3.21).

2- The statistical results showed the levels of importance of the items of the variable of human capital elasticity, the highest level of answer was achieved by (27 among all paragraphs of the variable of human capital elasticity with an arithmetic mean whose value was (3.46) and with a standard deviation ((1.17, relative importance formed (77%) and by a factor of A difference of ((34.08) to confirm this agreement of most of the members of the research sample on this paragraph, this indicates the keenness of the bank management to attract the owners of experience and competence in the work, while achieving a paragraph (26) lowest rank in the arithmetic mean (2.63).

3- The statistical results showed the levels of importance of the items of the competitive elasticity variable, obtaining the highest level of answer achieved by ((32 among all the items of the variable of competitive elasticity with an arithmetic mean of 3.04) and with a standard deviation ((1.26), and relative importance formed (59%) with a different coefficient of (41.67 This confirms that most members of the research sample agree on this paragraph. This indicates that the bank's management is able to develop strategic options to seize opportunities and confront threats from competitors, while paragraph (29) achieved the lowest rank in the arithmetic mean (2.83).

4- The statistical results showed the levels of importance of the items of the market elasticity variable, the highest level of answer was achieved by (32 among all items of the market elasticity variable with an arithmetic mean of (3.04) and with a standard deviation ((1.26), and relative importance formed (59%) with a different coefficient of (41.67 This confirms that most of the research sample agreed on this paragraph. This confirms that the bank's management is to respond quickly to the needs of customers, while paragraph (34) has achieved the lowest rank in the mean of the arithmetic (2.83).

Impact relationships between search variables

Through this axis, an impact relationship will be defined between the current research variables (the impact of knowledge management on strategic flexibility) in order to identify the degree of impact of the relationship between these variables:

1- It is clear from the results the effect of the independent variable (knowledge management) on the dependent variable (strategic flexibility), as the calculated value of (F) reached (7.606) at the level of significance (sig = 0.001) which is less than the value of the significance (0.01), and the value of the determination factor (R2 = 0.679), which indicates that knowledge management explains its value (67.9%) of strategic flexibility and (32.1%) are variables that are not included in the model, i.e. acceptance of the second main hypothesis (there is a significant relationship of influence from knowledge management on Strategic flexibility).

2- It is clear from the beta value ($B = 0.282$), that is, an increase in one unit of knowledge creation and acquisition will increase the strategic flexibility by (28.2%), that is, there is a positive effect relationship between the creation and acquisition of knowledge in strategic flexibility.

3- It is clear from the beta value ($B = 0.192$), that is, an increase of one unit of knowledge storage will cause an increase in strategic flexibility by (19.2%), that is, there is a positive effect relationship between the storage of knowledge in strategic flexibility.

4- It is clear from the beta value ($B = -0.079$), meaning that increasing one unit of knowledge organization will cause a decrease in strategic flexibility of (7.9%), that is, there is an adverse effect relationship between knowledge organization in strategic flexibility.

5- It is clear from the beta value ($B = 0.384$), that is, an increase of one unit of knowledge sharing will cause an increase in strategic flexibility by ((38.4%), i.e., there is a positive effect relationship between knowledge sharing in strategic flexibility.

6- It is clear from the beta value ($B = -0.059$), that is, an increase of one unit of the application of knowledge will cause a decrease in the strategic flexibility by (5.9%), that is, there is an adverse effect relationship between the application of knowledge in the strategic flexibility.

Conclusions

1. It appeared that the percentage of females is more than the percentage of males, and this shows the organization's interest in females more than males
2. It is proven that the bank management does not have mechanisms and means to guarantee learning knowledge among workers and can be used to face problems and challenges.
3. It appeared that the bank does not make use of the written means, newsletters and brochures to store, protect and exchange knowledge among workers.
4. It was found that there is a clear weakness in the dependence of workers in the bank on knowledge sharing in determining knowledge management, and this indicates that the bank has a small percentage of different centers and sources and forums for displaying and sharing knowledge.
5. It appeared that the employees of the bank have multiple methods aimed at developing their knowledge to be applied in various activities due to its routine procedures.
6. He found that the bank's management has a small percentage in the importance of training and developing employees due to the lack of developments in its banking work.
7. It appeared that the bank's management has a clear weakness in adjusting the prices of services according to the requirements of the local market.

Recommendations

1. The necessity for the bank to pay attention to the male side in addition to the female.
2. The need for the bank's management to have mechanisms and means to ensure learning knowledge among workers and can be used to confront problems and challenges, making it an organization to keep pace with developments.
3. The necessity for the bank's administration to benefit from the written means, newsletters and brochures to store knowledge, protect it and exchange it between workers in order to have the ability to preserve the information.
4. It is necessary to share knowledge among the employees of the bank in order to have different centers and sources and forums to display and share knowledge, and this contributes to the delivery of knowledge as quickly as possible for workers.

5. Working on developing new methods of administrative work inside the bank and avoiding stereotypes, routine performance and complicated administrative procedures.
6. -6The need for the bank to pay attention to the training and development of workers, which contributes to the performance of advanced business in the bank.
7. - 7The need to provide new services to keep abreast of developments in the banking sector and to join competitors.

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Earnings Management under the positive theory of accounting and ways to reduce it

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Abstract

The research aims mainly to identify the management of profits in light of the positive theory of accounting and to identify the means to measure and limit Earnings Management practices and explain the motives for adopting them through the use of the Benford Law, and the study relied on what has been dealt with from previous studies related to the topic of research, and the theoretical study has reached To a set of proposals on the subject, among them that Benford's Law is a powerful tool to know the nature of the financial statements given and gives an accurate picture of the possibility of how they appear. These tests are straightforward and easy to apply and do not need additional software. You only need Excel.

Key words: positive theory, Earnings Management, Benford law

Introduction

The growing interest in the business sector towards relying on moral input in the areas of business administration, accounting, and auditing, and the common denominator between these areas is the need to distinguish between acceptable and morally unacceptable behavior. And sometimes the task is easy, for example, asset theft is considered an unacceptable behavior, and this does not accept controversy, but there are many models of behavior in which absolute discrimination is difficult. These decisions may lead to a positive or negative impact on the net income, which some consider a form of fraud or manipulation of accounting information as long as this behavior has the capacity of intentional, while others may consider it - despite the availability of intent and misleading the users of financial data - legal behavior Even if it is immoral behavior, as long as it is in the interest of economic unity. The management behavior may lead to either reducing the income for the purpose of reducing taxes, or increasing it for the purpose of increasing the reward of the members of the Board of Directors, or paving it by reducing it if it is high or increasing it if it is low, in order to reduce the sharp fluctuations in the income level to achieve stability in the stock prices in the market. Although there is a variation in the drivers that drive management, the behavior of influencing income takes one of the previous directions, and this is known as Earnings Management.

Research Methodology

1-1 Research problem:

Earnings Management practices are a kind of fraud or manipulation of accounting information and one of the most serious challenges facing the process of showing the true and correct performance of the company because of its misleading for the users of the financial statements of the company through the management's exploitation of the gaps and the multiplicity of alternatives as it is considered a type of fraud or manipulation of accounting information as long as this behavior has an attribute Intentionally, while some may consider it, and in spite of the attribute of deliberate and misleading to users of financial statements, it is a legitimate legal behavior even if it is immoral behavior as long as it serves the interest of the economic unit.

1-2 Research hypothesis:

Where research is considered theoretical research, there are no hypotheses for its selection, and the research is limited to interpreting the positive accounting theory of the selection process from alternative accounting policies to interpret the phenomenon of managing profits and the motives that lead to it, whereas the data used are considered virtual data and therefore cannot be relied upon and used for the purposes of showing how to use The data is to discover fraud, fraud, or Earnings Management practices, and future research can be used to refute the methods used that have built the existence of evidence management practices in the Iraq market for securities or validate them.

1.3 Importance of the research:

The importance of the research stems from the methods used by the researchers and the guarantor in limiting the impact of Earnings Management and shedding light on it through its study of the aspects addressed by the accounting theory, and the importance and scope of this topic for many researchers, especially in the first decade of the second millennium, as it shows the role Benford's Law in the detection of fraud and fraud, or what is known as Earnings Management.

2-1 Earnings Management: Concept and Motivation

Several studies confirmed the existence of manipulations by the administration under what is known as Earnings Management, and from these studies:

(Mei & Zhang 2010),(Johnson, 2000),(Hsiang & Chung & Feng2008) ,(Benson 2008),(ristian & Nandab & Wysock2003),(WANG & WANG & XIANG2008),(Esmaeil & Hamid & Saeed & Anvar2010),(Fatima2011),(Babalyan 2004)(Lian 2004),(Linda 2007). (Ali 2009).

And other studies and most of those studies agreed that the methods of managing profits are in two aspects, the first side is the change in accounting methods, while the second side is represented by manipulation through the operational decisions taken by the administration.

Those studies agreed that the motivation from Earnings Management is in the interest of the higher management in a manner that achieves benefits and rewards for it. Al-Fatlawi 2011 mentioned several definitions of Earnings Management (Al-Fatlawi, p. 24, 2011):

1. It is the management process of intervention that aims to manipulate financial reports, and is intended to achieve its own benefits.
2. It is the selection of managers from all optional entitlements within the limits permitted by the accounting standards, and as such has been distinguished from fraud and forgery of financial reports.
3. It is the process of managers entering into financial reports through the use of personal judgment in order to mislead some parties related to the company about real economic

performance, or to influence the parties contracting with it, which depend on the accounting numbers mentioned in the financial reports.

4. It is the considered choice among the accounting methods and policies that are among the accepted accounting principles, and known by the users of the financial statements.
5. It is the considered choice of accounting policies to achieve specific objectives by management.
6. It is the process of intentional administration's use of receivables to obtain some special benefits.
7. It is the decision-making process that is compatible with the achievement of pre-determined results by management in providing information in the financial statements and through which it achieves its own benefit.
8. Managers attempt to influence the disclosed income in the short term, as Earnings Management aims to improve the effects of the disclosed income and reduce the cost of capital.
9. It is the process of selecting accounting values that are of benefit to company managers at the expense of other parties related to the company.
10. It is a intended misrepresentation that targets accounting numbers to change the results that will appear in the financial statements
11. They are the intended management's attempts to manipulate or influence the profits foreseen, by using the flexibility to choose from the accounting methods, to postpone or expedite the recognition of revenue or expense operations, and to use any other methods to influence the profits disclosed in the short term.

2-2 The positive and normative approach (descriptive or realistic) in accounting

Several accounting studies relied on two main approaches:

a) The standard entry, which includes personal judgments for researchers, and the assumptions made using this entry are not subject to testing and validation. Using the word "shall" or "should", some examples of standard theories are:

1. "Accountants must replace the asset values according to the financial position."
2. "Personal income tax should be reduced to stimulate spending"
3. "Abortion must be authorized to help determine population growth"
4. "Affiliation with political parties must be public."
5. "The Hanging Law must be reinstated."

The main characteristic of all normative theories is that these theories rely on "moral value" and this moral value cannot be verified. They are relative and depend on opinion, not observation. Because moral values do not depend on observation, they are not scientific. (Henderson, 1992, 11)

Standard theories impose on accountants the responsibility for what should be written down (documented) and not what a person claims or demands. Famous examples of books on standard theories of accounting are works: JB Canning, "Economics of Accounting", WA Paton, "Accounting Theory," Henry Sweeney, "Stable Accounting", and Kenneth McNeill, "The Truth in Accounting"etc) (Maharishi, 2004, 59)

Accounting research in its early stages (1926 - 1967) relied on the use of the Normative Approach, which aims to search for the best among the available alternatives, but the research behind preference and idealism without searching for a measure of preference and idealism is one of the shortcomings of this approach, which is what must Will it be accounting? Noting the experimental reality (Awad, p. 2010) The normative theory attempts to describe in advance what data must be connected? How should it be presented? (Abu Zayd, p. 18, 1990). It is trying to justify what should exist. (Al-Balqawi, p. 145, 2006) When the researchers investigated the

limitations of the standard approach in theorizing accounting knowledge, opinions emerged calling for the need to develop a theory of accounting that explains and interprets accounting as it really exists, where accounting thought has turned to the study of practical problems and accounting practices as they exist in an attempt To develop a positive accounting theory that seeks to explain and explain economic events, considering that accounting is an applied science and not an art that has rules. (Awad, p. 2, 2010) Hendriksen pointed out that inductive theories are descriptive in nature, i.e. describing reality and that does not mean that deductive theories are necessarily normative. (Abu Zaid, P. 19, 1990),

b) The positive, realistic, or descriptive approach. This approach is characterized by the assumptions that are reached using this entry that they can be rejected, which can be validated by referring to the practical reality. (Dr. Ahmed Fouad. www.fcpa.jeeran.com) The researchers focus on Accounting when using the positive portal to analyze, interpret, and predict the behavior of the parties that make up the establishment, including management behavior on its choice of alternatives to accounting policies, and for this the positive portal focuses on accounting issues such as:

1. Why does senior management choose certain accounting methods and alternatives and neglect other methods and alternatives?
 2. Why does the administration prefer to stick to the historical cost, even though there is an increase in the rate of inflation, while others prefer methods of public and private price changes?
- The positive theory works to analyze and explain the choice among the accounting methods and policies used, considering that the choice of the economic unit for a specific accounting policy is not only carried out according to accounting principles and standards, but may be attributed to the preferences of the management of the economic unit.

(Awad, p. 2,2010)

The use of these two inputs was evident in many accounting fields, including the study of share prices, and the importance of studying stock prices is due to the possibility of influence by management on these prices by the administration, which is called Earnings Management, so Earnings Management is a method followed by the management of the facility in order to change the number Its profits are what achieves special purposes for the administration, and the effect of following the Earnings Management phenomenon has been evident in the collapse and bankruptcy of many international companies, for example, Enron Company (Dr. Ahmed Fouad. [Www.fcpa.jeeran.com](http://www.fcpa.jeeran.com)) Al-Balqawi believes that the difference in ideas, approaches and values between application And practice on the one hand and between accounting research on the other hand led to the use of two approaches:

1. The liquidated approach
2. The standard curriculum

Whereas, the study (Al-Sadiq, Zakaria, 1989) divided it into three stages:

The first stage used the standard model where the aim of this research was to find an advantage or an ideal

The second stage used a descriptive model that seeks to describe the phenomenon in question.

The third stage. Her research relied on the positive model, which aims to explain, analyze and predict what is already there.

A comparison between accounting theories on a normative basis and on a positive basis

Basis of comparison	Standard Accounting Theory	Positive accounting theory
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In terms of goal	Searching for preference, i.e. searching for the best theory, best alternatives, and best policies	Analyze, interpret, and predict the behavior of senior management in choosing from accounting policies, and thus develop a theory to develop and choose accounting policies
In terms of the portal used	Standard entry	Positive entrance
In terms of the search tool used	Economics theory, especially income theory	Positive entrance Agency cost theory Behavioral theories Some statistical methods
In terms of the research method used	Relying on the science of logic to derive principles, assumptions and axioms and depends on theoretical analysis only	Their use of some statistical methods in testing the hypotheses and setting a theoretical framework from which some of the statistical assumptions that the researcher tests are derived from.

(Awad, 2010,6)

When looking at the comparison at the third and fourth levels, the researcher believes that the positive accounting theory emphasizes its use of some statistical methods in testing the hypotheses and setting a theoretical framework from which some statistical assumptions that the researcher will test, and showing how to test those statistical methods during the advanced stages of research.

The standard approach began in the pre-sixties period in many studies that clarify the relationship between accounting information and stock prices, and a set of assumptions upon which these studies were based emerged, and the most important of these assumptions are:

1. Imposing the mechanical relationship between accounting profits and stock prices
2. Imposing traditional job influence

As a result of the flaws and criticisms leveled at the standard entry, a positive or realistic approach appeared, which was also used in the study of the relationship between accounting information and stock prices. Stock quotes.

The imposition of an efficient market is based on a set of repercussions, including:

1. The financial statements are not the only source of information about the facility.
2. The efficient market assumption indicates the importance of standardization in the accounting methods used by the establishment.
3. As for the authorities regulating the accounting rules, the assumption of a competent market indicates an effort, time and money to agree on an accounting method that is not feasible.

Some researchers on the accounting side try to answer a question:

What if the effect of the change in accounting methods and its money on the impact of accounting profits can mislead the stock market?

Researchers have tried to answer this question through a new research trend known as accounting research based on stock markets, which aims to study whether the financial statements contain valuable information in determining stock prices and whether the market can predict this information before disclosing it .

This trend has found that the relationship between accounting information and stock prices can be measured in two ways:

1. Event studies: analyzing the level of share performance on the date of disclosure or the

announcement of accounting information.

2. Study of relationships: the study of the relationship between one or more accounting variables and stock prices or their returns over a specific period of time. (Dr. Ahmed Fouad. [Www.fcpa.jeeran.com](http://www.fcpa.jeeran.com))

It has been noted that Benford's Law studies the relationship between returns over a certain period of time to determine whether there are Earnings Management practices in the Iraqi market if the practical application of the law is used (since the research is theoretical the researcher will demonstrate how the law is applied using virtual accounting data)

2-3 Explanations of the positive theory of accounting for management's motives regarding Earnings Management

Initially, the financial accounting standards issued in 1973 defined the accounting policy as a set of specific and selected rules that the enterprise continues to apply "consistency in application", which makes the financial statements honestly and clearly express the financial position of the facility.

The accounting policy represents a set of methods and procedures used by the company in producing and communicating financial information, meaning that it is a set of scientific application tools that the accountant uses in recording transactions and in preparing the financial statements of the company.

(Al-Shirazi, 1990: 151)

The entry points between the choice of accounting methods and policies are the standard entry and the positive entry, and our focus in this research is on the positive entry and where the positive entry in accounting seeks to explain the reasons that led to the financial statements taking their current form.

Positive accounting theory provides an explanation for the existence of Earnings Management and forecasting management. The theory assumes that managers as individuals are rational and are expected to take action and choose alternatives to specific accounting policies that maximize their own benefit (Watts & Zimmerman 1990)

Especially in the presence of asymmetry of information, meaning that if managers are left to choose between the computer policies used for financial reporting purposes, these managers will tend to choose those policies that achieve their maximum personal benefit. Naturally, various incentives lead managers to manage profits and / or Managing forecasts, including these drivers or causes; Bonus and incentive plans, other contracts, money market expectations and incentives, monopoly litigation, government industry legislation and regulations, and tax incentives. He also pointed out (, Dr. Ahmad Fouad. [Www.fcpa.jeeran.com](http://www.fcpa.jeeran.com), 2010) that the management's decision in the process of choosing between accounting alternatives is subject to economic factors and not according to the accounting alternative, and he pointed to a group of factors that affect and are affected by the choice of the accounting alternative under the theory The positive is represented in the cost of contracts (incentive contracts, debt contracts), political costs, and the impact of the accounting environment (accounting custom - reservation - external auditor opinion). (Madkour 2008) indicated that Grodon was the first person in 1964 to use the positive approach to analyze the economic incentives of management as an influencing factor. In choosing from alternative accounting principles on the basis of which the financial statements of the economic unit are prepared. One of the studies (Daley, 1983) () concerned with choosing the accounting policy for dealing with research and development expenditures concluded that in the case of loan agreements based on accounting numbers, And the debt ratio was higher than the percentage of

property rights in the financing structure, so the senior management in these facilities will tend to capitalize on research and development expenditures, meaning that they will tend to choose the accounting policy that leads (Ross, 1990,144) With an asymmetry of information between managers and shareholders and the high cost of monitoring the efforts of management, shareholders and other rights holders rely on financial reports as the main source of information regarding the entity's economic performance, so investors and analysts always rely The financial information on the accounting information provided in the financial reports for evaluation purposes (Healy and Wahlen, 1999) () consequently will create an incentive for managers to manipulate profits as an attempt to influence the performance of stock prices. For example, managers may deliberately reduce profits by purchasing the company at a low value, or They may have an incentive to increase the value of the profits before offering more shares for subscription in order to increase the value of the offered shares. (Awad,,2010,14)

Benford's Law Use to Detect Fraud and Earnings Management Practices

Benford's Law is one of the mathematical laws that was discovered about a hundred and twenty years ago, and it applies to many natural numbers, where the natural numbers are distributed in varying proportions on all numbers from (1) to (9) without missing any of these numbers. (1999, p. 12) The law takes its name from Frank Benford who worked as an engineer at General Electric in the year 1920. (Johnson, 2005, p16) Benford is the name of the American physicist Frank Benford who worked on a mathematical theory in 1938 called the basic number distribution theory (Tommie,2011,1) This mathematical law was discovered in 1881 AD when astronomer Simon Neukomm noticed that the numbers in the logarithms books (which we used a lot before the calculator was present) are distributed over the numbers from (1) to (9) according to a strange mathematical law. (Nahas, 1999 AD, p. 13) where Simon Neukomm notes that decimal numbers do not occur with equal repetitions that require each person to use a logarithm table, and note that the sheets of logarithm tables that initially wear out more than those in the last, number (1) is often the number More important than the other numbers and the less iterations until you reach the number (9), Neukomm came to the conclusion of the law of frequency (HILL, 1995,887).

Although he published his results in the American Mathematics Journal, he did not pay any attention to it, and then in the year 1938 AD, the physicist Frank Benford concluded that the various statistics numbers are distributed in a strange way, such as those observed by Simon Neukomm before. (Copper, 1999, p. 13)

This was before the discovery of electronic and manual computers, and the multiplication and division operations were done through tables and slides for accuracy. These tables are listed in the log of logarithms. Using pages from page 4 to page 9, Benford went to test this theory by studying more than 20,000 sets of numbers including baseball statistics, stock market prices, city dwellers ... etc, and the data came from random sources as well Among the sources that followed the mathematical rules, however, the data that a person entered were excluded, such as house numbers, phone numbers, and postal codes. (9) (Johnson, 2005, p16) He then made some assumptions regarding the geometric pattern of natural phenomena (despite the fact that some of his data sets were not related to natural phenomena) and he formulated the expected patterns of numbers in the spreadsheet The expected frequencies appear below, with D1 representing the first number, and D1D2 representing the first two digits of the number according to the following formula (Nigrini·2009· p307):

$$P(D = d) = \log(1 + 1/d) \quad d \in \{1, 2, \dots, 9\}.(1)$$

$$P(D1D2 = d1 d2) = \log(1 + 1/d d) \quad d1 d2 \in \{10, 11, 12, \dots, 99\};(2)$$

The law on the distribution of numbers was named after him, although he did not set an explanation for this distribution. In the year 1961 AD, mathematics professor Roger Pinkham studied the phenomenon of the distribution of numbers in some natural phenomena and reached mathematical proof of Benford's Law. Finally, the mathematician Theodor Hill came in 1996 AD and proved in another way that Benford's Law distributed The numbers of numbers of natural phenomena are correct. (Copper, 1999, p. 13) In fact, Benford's Law is actually an acceptable guide in the United States for criminal cases at the state or local level and this fact embodies only the potential benefit of using Benford's Law, some uses are relatively easy, using Benford's Law It needs an accurate measurement of the audit objective. (Tommie,2011,2) Government agencies and auditing companies in America and Europe have started adopting this method of analysis to reveal the correctness of account numbers, and in addition to that their use in population statistics and future expectations gives an idea of the validity of the expected numbers, and here comes an important question: Does publishing such a law help the manipulators to pay attention to the tightening of manipulation? Nigrini answers this in the negative, because they do not know how numbers will be analyzed in their numbers, and therefore any forgery will be detectable, because the manipulators in his opinion are not scientists, and the use of law requires intelligence and intelligence.

(Copper, 1999, p. 14)

2-3 Deriving Mathematical Equations in Benford's Law

In 1881, astronomer and mathematician Simon Neukomm published the first article describing what became known as Benford's Law Benford's Law in the American Journal of Mathematics, he noticed that the library copies of logarithms books were obsolete on the first pages, which included lower numbers and gradually less damaged papers with the highest numbers, he concluded From this model that his colleague the world used these tables to search for numbers that begin with the number (1), more often than those that start with the number (2) and (3) ,, thus, the conclusion was clear that the use of numbers that begin with the number (1) He outnumbered the largest numbers, and he concluded the following possibility:

$$P(d)=\text{Log}_{10}(1+1/d)(1)$$

Where: d is a number 1,2 ...9,

P is the probability

Using this equation, the probability that the number (1) is 30% while the first probability of the number (9) is only 4.6% (Hillison, 2004, p20) Table 1 shows the expected frequencies of all numbers from (0) to (9) For each of the first four places in any number.

Table 1				
Expected Frequencies Based on Benford's Law				
Digit	1st place	2nd place	3rd place	4th place
0		.11968	.10178	.10018
1	.30103	.11389	.10138	.10014
2	.17609	.19882	.10097	.10010
3	.12494	.10433	.10057	.10006
4	.09691	.10031	.10018	.10002
5	.07918	.09668	.09979	.09998
6	.06695	.09337	.09940	.09994
7	.05799	.09035	.09902	.09990

8	.05115	.08757	.09864	.09986
9	.04576	.08500	.09827	.09982

Source: Nigrim, 1996

Formulas for expected digital frequencies :

For first digit of the number:

Probability ($D_1=d_1$) = $\log(1+(1/d_1))$; $d_1 = (1,2, 3, \dots,9)$

For second digit of the number:

Probability ($D_2 = d_2$) = $\sum \log(1+(1/ d_1d_2))$; $d_1 = (1,2,3, \dots, 9)$

$d_2 = (0,1,2,3, \dots, 9)$

Where

Probability ($D_1D_2 = d_1, d_2$) = $\log(1+(1/ d_1d_2))$

Probability ($D_2= d_2D_1= d_1$) = $\log(1+(1/ d_1d_2))/\log(1+(1/ d_1))$

D_1 represents the first digit of a number,

D_2 represents the second digit of a number, etc (Hillison, 2004,p20)

3-3 Using Benford's Law in Accounting and Auditing

Accounting systems are common targets of financial fraud. Willie Sutton, one of the bank robbers, says “Where the money is, there is fraud” The common method used to commit such fraud is to create fictional accounting units, for example: fake user records or seller payments, then the counterfeit can use counterfeit restrictions in its favor. The failure of this spoofing process lies in the ability to mix fake entries with real and legitimate data and thus difficult for the observer or auditor to notice. An interesting observation is that most people are unable to create natural data which makes it good for auditors to apply an easy statistical method to discover human inability (Counterfeiters) create natural data and one of those tests is Benford’s law. Benford's Law includes the distribution of key numbers (numbers that people use in business) such as buyers’ payments, customer arrivals, and other common financial values. For example the main number in a seller’s payout \$ 123.45 is number 1. In a value of \$ 4,231.55, the number is 4. ... And so (note all the values taken are in US dollars.) What Frank Benford discovered is that the key figures are not m Distribute it regularly, as many expect. For example, the number 1 is the most common in frequency, followed by the number 2, then 3, and so on. To implement Benford's Law, the accountant must calculate how often the number 1 came as the main number in the data and the number 2 and so on. If the iterative distribution is normal, that is, if the distribution of output is similar to the Benford distribution, then the result does not arouse suspicion, otherwise the outcome is questionable. Several journal related magazines have published research on Benford's Law, but most of these research are theoretical articles that require additional software to conduct the necessary statistical tests. This research shows how to perform the calculations required for Benford's Law application using some simplified formulas for a solution. (Mark,2010,1)

We can notice that Professor Nigrini 1996 () pioneered the use of Benford's Law in the accounting field, where he used Benford's Law in his thesis to discover tax evaders. However, there are people who preceded him in the use of law in accounting applications. Although Varian in 1972 was an economist, he suggested that Benford's Law could be used as a test of the validity or validity of random scientific data in the framework of social sciences, but it was not captured by accountants until the late 1980's. At that time two studies relied on digital analysis to reveal profit manipulation, (Carslaw's (1988) found that corporate earnings numbers from New Zealand were inconsistent with the expected distribution, Carslaw noted that Benford's Law supportive

evidence, "Feller's Proof", Thomas (1989) discovered a similar pattern in American corporate earnings, Nigrini appears to be the first researcher to implement Benford's Law widely in account numbers to detect fraud (Hillison, 2004, p22)

3-4 Choose key numbers using the Penford Law

Let's take a specific case, in which case a person wants to evaluate sales receipts for a particular company (or to find out about the company's misuse). Although all the information on the link is important, we will focus only on the purchase amounts. The goal of Benford's Law app is to answer the question (Are the deals normal? And to what extent do they look normal?) And Figure No. (1) explains the steps required to implement Benford's Law. The implementation steps are detailed as follows:

Step No. 1: Selection of graphic samples

The first step is to collect test graphs and store them in Excel tables. The more samples collected, the better results.

Step No. (2): separate the main numbers

As noted previously, Bedford's Law focuses on the key numbers groups that are distributed naturally. The upper value of the data (for example, if the amount of money is 10, 100, 1000) is considered insignificant. In the Excel table, the main numbers can be separated using the Left Excel function. The general form of this function is:

Left (Data item, Number of characters)

As the Data item is the cell reference number, Number of characters is the number of characters to be separated starting from the left side, so if Number of characters is 2, then Axel will separate the first two numbers from the graphic sample and if Number of characters is 3 then Axel will separate the first Three numbers from the graphic sample ... and so on. Regarding our research, we need to truncate one number, which is the main number, so the formula is:

Left (C3,1)

You will truncate one number on the left for what is in cell C3 and because the value in cell C3 contains the number 432.65 the result is 4 (note: in Figure 1 the symbol \$ does not appear because Axel considers this symbol as a tab and the output, so it is neglected) and as soon as it ends Working from the first cell, the next transition in the column is done by just cloning (see column D in Figure 1).

Step No. (3): Calculate iterative distribution

The next step is to calculate the iterative distribution of the main numbers separated from the graphic samples. This is done by entering the numbers from 1 to 9 under the heading Digits as shown on the right side of Figure 1. Although we are able to use the Excel formula to calculate the frequency distribution, but it is easier to use the Countif formula which calculates the number of elements within a specific data range that matches a specific value The general formula for the Countif procedure is:

Countif (Data Range, Criteria)

Step No. (4): Calculate the expected distribution

What are the main numbers expected from? Benford's Law predicts that about 30% of the main numbers are 1, 17.6% will be 2 ... Thus the column J of Figure 1 shows the complete list of these

proportions that belong to the logarithmic distribution and has been explained in detail in the article Nigrini. From the percentages shown in column J in Figure 1, we can work in reverse (from back to front) and calculate the number of observations that we expect to see in 30 samples. For each main number, the expected number equals the percentage multiplied by the sample size, for example for the main number 1 the number of observations is $30.1 * 30 = 9.03$ and because cell H14 stores the number of observations the formula for the first number in column I14 is:

$J4 * \$H\14

Step No. (5): draw the results

Now we have two sets of values, which are the main numbers of the real distribution from the sample and the theoretical distribution of such numbers obtained. The question now is, to what extent are these two identical identities? To answer this question, we draw these two groups and then you notice the results. To do this, Excel tools can be used to draw and create a chart as shown in Figure 1. The expected values for theoretical distribution will show the exponential dissolution pattern of the number 1 as the greatest probability, the exponential dissolution pattern of the number 2 as the second greatest probability ... and so on. As for the real values, the main numbers in the sample will be distributed. The planned scheme will perform two main functions: The first is that this scheme will answer an important visual question, how much is the degree of congruence between the expected values and the sample values? The answer in our case is that it does not match well. For example, the main number 1 came half of what was expected and the number 4 came more than expected.

The second of the diagram is that it gives a written guide to the graphical results, and in this case for the number 4, the graphical results do not necessarily mean that there are problems such as the fraud problem, but it warns the accountant of the possibility of such a possibility.

Step No. (6): carry out the K-Square test

Although the sample data does not match the expected values, as is clear from the drawing, the question is, "How far is the difference between the real values and the expected values?" It remains valid. To answer this question statistically, the auditor must use the CHITEST Excel function, which provides another guide, which is the quality of conformity. This means that CHITEST measures the quality of the statistical test. This means how far the statistical distribution produced from the sample of the real data matches the default distribution resulting from Benford's Law. For our example being studied, we would like to know how the sample data in column H corresponds to the values expected from Benford's Law in column I of Fig.

1. The general formula for CHITEST is:

CHITEST (Data Range of Actual Value, Data Range of Expected Value)

In this formula, the Data Range of Actual Value reflects the values derived from the samples. The Data Range of Expected Value reflects the expected values obtained from the theoretical distribution (default). The values required by the formula CHITEST are in (calculated) in columns H and I of the table, so the formula will become : CHITEST(H4:H12,I4:I12)

Step No. 7: Conclusion: Is the data normal? or not

The K-Square statistical test indicates the probability that the true values of the data will track the Benford model. High values such as 93% indicate that there is a good match between the real and expected distributions, but small values indicate a weak match. If we enter the test data values shown in Figure 1 and change the values of the receipts amounts so that the convergence

reaches very soon between the real values and the proposed values for Benford's Law, then the value of the C-Square test will increase. As shown in cell J15 in Figure 1, where the value of the C-Square test came in the form of the percentage of 7.89% which is a relatively small value, does this indicate the presence of fraud? In general, values less than 5% indicate that there is a low probability of data matching with Benford's Law, while ratios of 10% and less indicate that there is a 90% probability that the data is abnormal. Now what did we come up with in the example? The truth is that the ratios we obtained confirm that these data are artificial data (put in place) and before reaching this conclusion there is another option that we can do which is to repeat the calculations with new data and this is the benefit of using scheduling programs such as Excel and this is done by changing the values in columns B and C and repeat the calculations as we did in Figure 1. What if the results came in small proportions too? The truth is that it will have a double meaning (confirmed). If the calculations came in the K-Square method, and for both graphs, at 10%, this indicates that the normal probability of the data is $10 * 0.10 = 0.01$, i.e. 1%, which is a very small percentage that requires investigation and examination.

3-5 What Benford's Law Can and Can't Do

The idea that the key figures that come naturally are not distributed naturally seems to be unexpected for most people. If we take the numbers from 1 to 9 and print them on a rotating disk with equal distances, then the percentage of the appearance of any of these numbers will be equal to the other numbers on the disk if we rotate it and calculate the number of times each number appears. However, the financial and accounting data are not subject to what is printed on the numbers printed on a turntable, that is, their visibility ratios are different. We can think of this using the following example: Imagine that there is an account in the bank and this account grows from a few hundred dollars to thousands of dollars, so what are the numbers that we expect this account to reach? Certainly, it will reach the number 1 (per thousand dollars) then the number 2 (per thousand dollars) ... Thus the number of the amount in the account will increase by 1 each time, meaning that it will reach for the first 1 and then for the second second and for the third third and so on. Those are precisely and this is the reason why we can deduce the possibilities for the main numbers 1, 2 and 3 and how their appearance in the combined Benford distribution exceeds 60% of the total total protection reserve, this clarification suggests some important considerations when using Benford's Law and one of these considerations is that Benford's Law applies to the data Naturalities such as sales amounts, payments amounts, stock prices, paid values, in addition to some data that Penford applies to his law such as baseball statistics, lake areas and population in cities but the latest statistics are not important to accountants. It cannot be applied to the graphic values that humans attach to things such as phone numbers, lottery cards, customer serial numbers ... etc (because these numbers are not repeated).

4-1 Conclusion and proposals

Financial fraud operations involve the practice of deceptive acts by its perpetrators such as employees or suppliers, and these operations are usually hidden from the attention of internal and external auditors, and that its discovery process requires the use of a set of techniques that would indicate accounting items that show unusual behavior and who Then, to investigate whether these unusual items are due to fraud or unintended errors, or if they are due to other reasons. A set of proposals has been reached to help detect fraud and Earnings Management practices and try to prevent them from occurring as follows:

1. It is important to avoid using abnormal financial data such as sales prices for a non-profit store as these data are not subject to Benford's Law because there is one price point for each item sold and so are the case with aircraft reservations amounts with a higher limit or working days per year ... etc. All of these amounts are not subject to Benford Law.
2. It is important that the selection of data totals be neutral. For example, determining the amounts of arrivals between \$ 100 and \$ 1,000 as samples will cancel the possibility of applying Benford's Law because the data will be specific in a narrow field, so it is advisable to take complete data for a specific company (for example) for a full year or for a full month or choose a day in a way Random from the complete data of a specific company.
3. Frank Benford did not limit his study to the main numbers that are distributed naturally only, but he also developed an iterative distribution of secondary numbers (that is, those that come second) and the third numbers (i.e. those that come third) in addition to that he provided an analysis similar to that covered in this article. Benford's Law and the same steps and information can also be followed to perform a similar statistical test using the Excel Mid function to separate numbers from the total number ...
4. It is necessary to select a sufficiently large set of data in order to extract useful statistical results
5. The detection of fraud requires the use of various techniques, including Benford's Law, which works to attract attention towards items that show unusual or abnormal behavior, which requires the need to investigate them to discover whether they indicate fraud, error, or otherwise.
6. The necessity of developing the approach of auditing to include the definition of the concept of fraud and its forms and the conditions that assist in its commission, as an attempt to try to lay down plans and programs to try to prevent its occurrence.
7. The necessity of developing the company's accounting system to include auditing techniques such as Benford's Law technique, which makes it as an indication of the possibility of a risk from time to time in the event of abnormalities or accounts showing abnormal behavior.
8. Benford's Law provides a powerful tool to know the nature of the given financial statements and gives an accurate picture of how they might appear. These tests are straightforward and easy to apply and do not need additional software. You only need Excel.
9. It is important to mention that not all financial statements are subject to Benford's Law, so it is important to consider the experience of these tests and data before submitting the analysis.
10. It was evident from the extrapolation of the accounting literature that there are motives towards choosing between the accounting policies and estimates that drive the administration towards preferring one over the other including compensation plans and administrative incentives, contractual agreements and debt conditions, money market expectations, regulatory interventions, potential issues and taxes.
11. That the positive theory in accounting is related to the applied aspect, where the practical reality is observed, interpreted, analyzed, and predicted for what will happen in the future. Therefore, the accounting information must include the ability to predict future events in order to enable decision-makers to take appropriate decisions for their investment preferences.

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