Volume 25, Special Issue **Print ISSN: 1099 -9264**
Online ISSN: 1939-4675

THE MODERATING EFFECT OF THE AUDIT COMMITTEES ROLE IN THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE AND LIMITING OF PRACTICES CREATIVE ACCOUNTING, A FIELD STUDY ON THE JORDANIAN INDUSTRIAL COMPANIES

Walid Omar Owais, Al-Balqa Applied University

ABSTRACT

Creative accounting is one of the biggest challenges facing the ethical framework of accounting, because of the accounting information that lacks the elements of control and transparency, and therefore the search for reliable and appropriate information for decision-making has become a real challenge that can be addressed through of corporate governance and audit committees. The main objective of the research is identifying the influence of corporate governance in limiting the practices of creative accounting by the existence of audit committees as a Moderating variable, a field study was conducted on the Jordanian industrial companies that are listed on the Stock Exchange of Amman, Jordan. To achieve the objectives of the study, the researcher developed a questionnaire and distributed among the study population consisting of financial managers and accountants using systematic random sampling. Data were collected and analyzed by relying on the Statistical Package for Social Sciences (SPSS) software. The study found that Corporate Governance in effects the Limiting of Practices Creative Accounting. And audit committees moderates the relationship that exists between Corporate Governance and Limiting of Practices Creative Accounting. In light of the results, hopefully In Companies should be motivated to put in place an effective corporate governance mechanism they will curtail creative accounting practices. In particular, the independence of the audit committee should be sacrosanct and compelled among the listed companies in Jordan.

Keywords: Corporate Governance, Audit Committees, Creative Accounting.

INTRODUCTION

Governance has received the attention of practitioners, researchers, stakeholders, and countries in general, as a result of a series of collapses and bankruptcies that occurred in many companies and countries, such as the American companies (Worldcome, Xerox, Worldcom) and the Italian companies (Pramalat) and Asian companies, as well as the Enroncrisis, the company which was specialized in the field of the marketing of electricity and natural gas in America in the year 2001. These collapse and bankruptcies were the result of the use of complex accounting methods aimed at deceiving and misleading accounting information provided, the lack of proper practices in control and supervision, lack of transparency, lack of commitment to applying accounting standards and international auditing, and the absence of a corporate governance system. Consequently, this has led to the loss of confidence in the information of accounting as a result of a lack of its quality (Lai & Bello (2012), Akenbor & Ibanichuka (2012), OECD (2015)).

Accounting has evolved over time to reach the stage of creativity, by processing financial data with procedures and methods characterized by intellectual creativity to result in financial reports aimed at disseminating financial information to the beneficiaries to achieve their goals. It is important to note that the profession of accounting has a behavioral and ethical aspects based on not giving preference to certain interests of business owners on the interests of other groups in what is known as the neutrality of accounting policy, but the presence of immoral creativity aims to mislead certain parties and show unreal picture of the financial position to achieve specific goals, whether for the members of the board of owners, directors or stakeholders by creating accurate accounting methods and techniques by exploiting the accounting policies, which is called creative accounting practices (Shan, (2015), KPMG (2016)).

Creative accounting represents a major deception because it involves accounting methods that allow companies to report their financial results in a way that does not depict the true nature of their activities. Creative accounting comprises all the steps that are used to complete the numbers game, including arbitrary choices, application of accounting principles and misleading financial report, in addition to steps taken to manage profits or income. Creative accounting is considered as one of the most important challenges that are facing the profession of accounting because it conflicts with the rules of professional conduct and the ethical framework of accounting, so that it affects the quality of accounting information by distorting it and misleading the users of the financial statements without violating the laws and accounting standards. The companies' resorting to the practice of creative accounting rapidly towards maximizing their own benefits at the expense of the interest of the shareholders is a kind of unethical professional behavior. To combat this unethical accounting practice, an intervention of corporate governance and audit committees is required (Abata & Migiro (2016), Muda, et al. (2018); Shin & Kim (2019)).

The Problem of the Study

The concept of Creative accounting has widely become the interest and focus of practitioners and interested stakeholders, auditors and accountants very much in the recent years, especially after the series of collapses that occurred in several large and pioneering companies, including Enron Corporation, and holding Arthur Anderson as the company which is responsible for auditing Enron's accounts as part of the responsibility for the company' scollapse and accusing her of manipulating the data of company's accounting, taking advantage of some accounting policies and treatments which show the data without its true form. There are many motives for companies' practice of creative accounting such as; the management may wish to disclose specific profit numbers to meet the expectations of financial analysts, or to reach the level of their perceptions of profit to achieve the expectations of large owners in cash or in the form of shares (Zang (2012); Alina & Matis (2010)). The management often wants to show a distinguished level to it to maximize its current or future reward, avoid violations of debt contracts, or support the share price in the market. In light of the growing use of creative accounting, there had to be ways to disclose it, and , consequently, the interest in the concept of corporate governance has increased and became one of the essential pillars which economic organizations, especially financial ones, should be based on. Additionally, many organizations have emphasized the advantages of Implementation of corporate governance in all units, and among these organizations the Cadroi Committee, which was designed to develop a clear framework for corporate governance, and the Organization for Economic Cooperation and Development, that developed the principles of corporate governance in 2004. (Michael, (2011); Obigbemi, et al. (2016); Ikumapayi, et al. (2018)).

Corporate Governance (CG) is primarily focus on the connection between the management of a business and its board of shareholders, lenders and directors and other stakeholders like, customers, vendors, employees and the business environment which it operates in. The relationship between CG and creative accounting has been thoroughly studied in the literature. In addition, the body of literature demonstrated that CG is accepted and treated as having a general meaning, whereas the later concept (i.e. creative accounting) was considered to be contentious in terms of its acceptance and meanings.

Given the importance of corporate governance and audit committees to reduce the risks of creative accounting reflected in the level of transparency, The need to test the moderating effect of audit committees y in the influence of Corporate Governance in Limiting Creative Accounting Practices, apart from the recorded inconsistency from past related studies, is justified by that Creative accounting represents a major deception because it involves accounting methods that allow companies to report their financial results in a way that does not depict the true nature of their activities. This research came to identify the corporate governance impact on practices of creative accounting in the presence of audit committees as a modified variable, perhaps providing some results that benefit those interested in the field of enhancing confidence in financial reports, by providing data free from fraud.

OBJECTIVES OF THE STUDY

The basic objective of this research is to identify The Moderating Effect of The audit committees role in The Relationship between Corporate Governance and Limiting of Practices Creative Accounting, A field study on Jordanian public shareholding companies. and that is through:

(i) Identify the impact of protecting shareholder rights in limiting the practices of creative accounting.
(ii) Identify the impact of disclosure and transparency in limiting creative accounting practices.
(iii) Identify the impact of responsibilities of corporate board in limiting the practices of creative accounting.
(iv) Identify the moderating effect of audit committees in the relation between corporate governance and limiting creative accounting practices from the point of view of employees in Jordanian public shareholding companies.

JUSTIFICATION OF THE STUDY

The importance of this study comes from a scientific point of view to keep pace with recent trends in accounting thought to apply corporate governance mechanisms because of their impact on establishing the principle of transparency and preserving the rights of shareholders and stakeholders, ensuring the quality of financial reports and achieving the effectiveness of companies ’performance to push the economic development process in their countries forward, as well as knowledge The corporate governance role and audit committees in Limiting the Practices of Creative Accounting on the numbers of the company's financial statements and showing them in a manner contrary to the actual reality, which misleads the users of these lists, and in practice this study comes in light of the interest of official and non-official bodies and professional and academic organizations in applying corporate governance and limiting practices Creative and this study contribute to that.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

In order to achieve the goals which are initiated by the board of the directors and in order to intentionally satisfy the perspectives of the stockholders, all companies seek to improve their performance by increasing their wealth, while conserving a good relationship between them within the principles of corporate governance. This has been confirmed by several studies conducted by many researchers, to mention some:

Olojede-Paul, et al. (2020) this study investigated the influence of mechanisms of corporate governance on the practices of creative accounting in the listed companies in Nigeria. The results of the study revealed that corporate governance mechanisms jointly have a great significant impact on the practices of creative accounting in Nigeria, but the level of impact differs among individual corporate governance mechanisms. Ibrahim, et al. (2017) studied the corporate governance through ideological framework and its mechanisms An applied study on the banking sector with a special focus on the governance in order to limit creative accounting, this study found that result that creativity in creative accounting is not an ethical behavior and that by adoption the governance by the banking sector, it will be positively reflected on the performance of banking. Romulus, et al. (2017) reviewed corporate governance and its essential effect on the company's management performance in general, and on limiting the creative accounting practice in particular, which, hence, lead to protect the stockholders rights. Ahmed, (2016). examined The study aimed to investigate the audit committees and their role in reducing the practices of the profit management by departments of Sudanese banks so as to accomplish self-benefits, the study showed many impressive results: there is an effect of Audit committees on reducing the practices of management. The study recommended the necessity to push Sudanese banks to build audit committees as a primary condition for incorporation in the Khartoum Stock Exchange. A study conducted by Odia & Ogiedu (2013).This study aimed to identify the effect of corporate governance and the organizational activities of the standards of accounting on creative accounting practices in Nigeria. The results of the study showed that one of the disadvantages of corporate governance is that it helps to take advantage of the deficiencies or flexibility in accounting standards to engage in the practice of creative accounting. The disadvantages of the organizational activities of accounting standards are that they allow creative accounting and this gives room for manipulation by the authors of accounting information to the benefit of users of accounting information. Therefore, standards and regulatory controls for corporate governance ought to be strengthened and designed to limit their effects on corporate governance and accountability. A study conducted by Haouam & Deffaoui, (2013).This study aimed to appoint the role of corporate governance as a control system so as to reduce the influence of creative accounting on the accounting information reliability that confront the stakeholders. The study concluded with suggesting a theoretical framework for practices of creative accounting, and the importance of highlighting these practices using a control system that focuses mainly on corporate governance as an important defense wall to reduce creative accounting practices Romulus, Ramona & Adrian. This study confirmed that corporate governance has an important influence on the overall performance of the general management of a company, on the limitation of the creative accounting practice in particular, that lead to secure the stockholders rights.

All of the previous studies that are mentioned above have supported the concept: a firm needs an effective governance to the Limit creative accounting as the principles of corporate governance proved to be an important element in Limiting "creative accounting" and that although there is a relative sufficient standards for independent auditing which will not END the creative accounting, thus, combining the audit committees along with the applying the corporate governance principles is adequate to limit down the creative accounting practice the researcher thinks that in the application of the corporate governance principles, transparency, the ethics code , the board of directors independence, and the fair treatment of shareholders and all of the concepts that are included in the corporate governance principles have an important role in reducing the creative accounting as a result of increasing the financial reporting creditability so that it can be used in making decision whether these users are the creditors, investors or any other party interested in the process.

From the literature review the hypothesis to be tested in this study is stated in the null form as follows:

HO1 There is no significant effect between corporate governance (Protecting shareholder rights, Disclosure and transparency, and Responsibilities of Corporate Board) in the limitation of Practices of Creative Accounting in Jordanian public shareholding companies.

HO2 The Moderating Effect of audit committees has no significant effect on the creative accounting practices from the point of view of Employees in Jordanian public shareholding companies.

RESEARCH METHODOLOGY

For an effective research, it is imperative to select an appropriate research methodology. An appropriate research design is important to determine the type of data needed, method of collecting the data, and type of sampling technique to apply. Therefore, research design is very crucial to actualize the research objectives (Bhatti et al., 2012). This study applied a quantitative research design. Quantitative research design will enable the researcher to test the relationship between the research variables. It will also enable the researcher to unvaryingly determine if one concept or idea is better than the others. It can also respond to questions on the relationships that exist among measured variables with the aim of elucidating, envisaging, as well as controlling phenomena (Sekaran & Bougie, 2016).

Thus, quantitative research design is an appropriate method for this study since it permits testing the relationship between variables with the use of statistical approaches (Sekaran & Bougie, 2010). This is in line with the main objective of this study that focus Thus, quantitative research design is an appropriate method for this study since it permits testing the relationship between variables with the use of statistical approaches. This is in line with the main objective of this study that to investigate The Moderating Effect of The role of audit committees in The Relationship between Corporate Governance and Limiting of Practices Creative Accounting, A field study on Jordanian public shareholding companies. Therefore, the specific question quantitative research also permits to carry out analysis using large sample to generalize the results among a set of population.

Target Population

Target Population is the collective of the likely components in given space for which the researcher needs the findings. There are of two categories of population; targets and accessible population (Kothari, 2016). Target population for this study consisted of 420 employees of 63 Jordanian industrial public shareholding companies. The targeted sample for the study was 217 employee, as 217 questionnaires were distributed and 200 questionnaires were retrieved, of which 190 were valid for analysis. The sampling technique was adopted a Simple Random considering the sampling size and the analysis that was carried. The respondents of the study were financial managers, heads of the accounting departments and financial accountants. The researcher attributes the reason for choosing industrial companies as a study society to their important role in economic development in Jordan, as the industrial sector contributes directly and indirectly about 41% of the gross domestic product, and the industrial sector contributes to covering part of the trade balance deficit through its exports, which constituted about (85%) of the total national exports.

Data Analysis

The collected data were statistically analyzed in two main phases. In the first phase was the pilot study, which included 30 respondents in order to test the reliability and the validity of the content, the instrument and data collection relying on the Statistical Package for Social Sciences (SPSS) software and expert review as well. The values of Crobanch Alpha coefficients were used to test the reliability as suggested by (Pallant & Manual, 2011). The second phase of the data analysis was also undertaken in two separate parts. The first part was primarily concerned with the data screening and missing data, outliers and normality. The second part was undertaken to conduct data was analyzed using descriptive statistics Descriptive analytical tools included frequencies, percentages, mean and standard deviations. The analysis of these objectives was also improved by conducting a simple regression on, Corporate Governance, and Creative Accounting. Towards this end, statistical tests were conducted at level of significance, 0.05, Second, Inferential analysis, a multiple linear regression analyses were used to establish the impact of governance on Limiting Creative Accounting Practices with audit committees as a modified variable (Hair et al., 2016).

Instrument Reliability and Validity

Validity

Content and face validity include a systematic assessment of the scale’s ability to measure what it is supposed to be measured. Accordingly, to get feedback regarding the suitability, layout, content and adequacy of the items a draft of the instrument of this study was distributed to some Experts and specialists in universities in order to judge it. Based on their notes a number of questions were re-phrased in order to be more obvious to the potential respondents and some items were removed. Then the researcher improved version of the instrument which was ultimately administered for the pilot test.

Reliability

The researcher used the Cronbach alpha test to determine the degree of stability of the study tool, so the reliability coefficient was calculated for all study axes, and the test results showed that the Cronbach alpha value for the tool as a whole (86.6), which is a very good percentage being higher than the statistically acceptable and specified percentage (60%). The value of Cronbach's alpha for each of the study axes was higher than the statistically acceptable and determined percentage.(%60) (Sekaran & Bougie, 2016).

ANALYSIS OF THE STUDY RESULTS

To describe the level of the study variables, governance (protection of shareholders' rights, disclosure and transparency, and the responsibilities of the board of directors), creative accounting practices, and audit committees in industrial companies, the researcher resorted to using arithmetic averages and standard deviations, as shown in tables (1).

Tables 1 MEANS AND STANDARD DEVIATIONS OF THE STUDY VARIABLES		
Item	**Mean**	**Standard deviation**
Protection of shareholders' rights	3.84	0.76
Disclosure and transparency	3.88	0.79
Responsibilities of the board of directors	3.8	0.78
Creative accounting practices	4.02	0.8
Audit committees	4.36	0.73

The table indicates the study sample answers to statements related to governance, creative accounting practices, and audit committees in industrial companies. Where the arithmetic average of the governance variable ranged from (3. 84), and the results indicate the high level of creative accounting practices, reaching (4.02), and the audit committees with an arithmetic average of (4.36). In general, it appears that the arithmetic averages and standard deviations of the study variables in the industrial companies from the point of view of the study sample was high.

Test hypotheses of the study

1. To assess the corporate governance impact in Limiting Practices of Creative Accounting (the study hypothesis), there is no statistically important effect of protecting shareholder rights in creative accounting practices at a significance level ($\alpha \leq 0.05$). In order to test this hypothesis, a simple regression was used to verify the effect of protecting shareholder rights in Limiting Creative Accounting Practices; the results shown in Table (2) were shown.

Table 2 SIMPLE IMPACT REGRESSION ANALYSIS TEST RESULTS FOR PROTECTING SHAREHOLDER RIGHTS IN LIMITING CREATIVE ACCOUNTING PRACTICES						
Dependent variable	**(R)**	**(R2)**	**F Calculated**	**B Regression coefficient**	**T Calculated**	**Indication level Sig.***
Creative accounting practices	0.39	0.152	12.46	0.309	3.539	0

The results of the statistical analysis showed a statistically important effect to protect the rights of shareholders in creative accounting practices, as the correlation coefficient (R) reached (0.390) at a significant level ($\alpha \leq 0.05$). As for the coefficient of determination (R2), it reached (0.152), meaning that its value (0.152) of changes in the reduction of Limiting Creative Accounting Practices resulted from the change in the level of protection of shareholders' rights, and the value of the degree of influence was (0.309). This shows that one degree increase in the protection level of shareholders' rights leads to a reduction in Limiting Creative Accounting Practices by (0.309). The significance of this effect confirms the calculated F value of (12.460), which is a function at the level of ($\alpha \leq 0.05$). Therefore, it rejects the null hypothesis and accepts the alternative hypothesis that states: There is a statistically important effect of protecting shareholder rights in Limiting Practices of Creative Accounting.

2. To assess the impact of corporate governance in limiting practices of creative accounting (the study hypothesis), there is no statistically important effect of disclosure and transparency in limiting creative accounting practices at ($\alpha \leq 0.05$). To test this hypothesis, a simple regression was used to verify the effect of protecting shareholder rights in limiting creative accounting practices. The results shown in table (3) were shown.

Table 3 RESULTS OF A SIMPLE REGRESSION ANALYSIS TEST OF THE IMPACT OF DISCLOSURE AND TRANSPARENCY IN LIMITING CREATIVE ACCOUNTING PRACTICES						
Dependent variable	**(R)**	**(R2)**	**F Calculated**	**B Regression coefficient**	**T Calculated**	**Indication level Sig.***
Creative accounting practices	0.559	0.312	31.815	0.322	5.64	0

The results of the statistical analysis showed a statistically significant effect of disclosure and transparency in creative accounting practices, as the correlation coefficient (R) reached (0.559) at a level of significance ($\alpha \leq 0.05$). As for the coefficient of determination (R2), it reached (0.312), meaning that its value (0.312) of changes in limiting creative accounting practices resulted from the change in the level of disclosure and transparency. The value of the degree of influence reached (0.322), This means that a one degree increase in the level of disclosure and transparency leads to a reduction of creative accounting practices by (0.322). The significance of that effect confirms the calculated F value of (31.815), that is a function at the level of ($\alpha \leq 0.05$). Therefore, it rejects the null hypothesis and accepts the alternative hypothesis, which states: There is a statistically important effect of disclosure and transparency in Limiting Practices of Creative Accounting.

3. To assess the impact a of corporate governance in Limiting Practices of Creative Accounting (the study hypothesis), There is no statistically significant effect of board responsibilities in Limiting Creative Accounting Practices at ($\alpha \leq 0.05$). To test this hypothesis, a simple regression was used to verify the effect of protecting shareholder rights in Limiting Creative Accounting Practices; the results shown in Table (4) were shown.

Table 4 RESULTS OF ATESTOF SIMPLE REGRESSION ANALYSIS OF THE IMPACT OF BOARD RESPONSIBILITIES IN LIMITING CREATIVE ACCOUNTING PRACTICES						
Dependent variable	**(R)**	**(R2)**	**F Calculated**	**B Regression coefficient**	**T Calculated**	**Indication level Sig.***
Creative accounting practices	0.531	0.283	27.372	0.353	5.234	0

The statistical analysis results have showed a statistically important effect of the responsibilities of the board of directors in Limiting Practices of Creative Accounting, as the correlation coefficient (R) reached (0.531) at a level of significance ($\alpha \leq 0.05$). As for the coefficient of determination (R2), it was (0.283), meaning that its value (0.283) of changes in the reduction of Limiting Creative Accounting Practices resulted from the change in the level of responsibilities of the Board of Directors, and the value of the degree of influence reached (0.353)This means that a one degree increase in the level of responsibilities of the board of directors leads to a reduction in Limiting Creative Accounting Practices by (0.353). The significance of this effect confirms the calculation of F value, which reached (27.372), which is a function at the ($\alpha \leq 0.05$) level. Therefore, it rejects the null hypothesis and accepts the alternative hypothesis that states: There is a statistically significant effect of the responsibilities of the board of directors in Limiting Practices of Creative Accounting.

4. To assess the corporate governance impact in Limiting Practices of Creative Accounting (the hypothesis), there is no significant impact of governance on Limiting Creative Accounting Practices by having audit committees as a modified variable at a significance level ($\alpha \leq 0.05$). In order to test this hypothesis, multiple regression had been used to

verify the governance impact in Limiting Practices of Creative Accounting in the presence of audit committees as a modified variable, the results shown in Table (5).

Table 5
RESULTS OF THE MULTIPLE REGRESSION ANALYSIS TEST OF THE IMPACT OF GOVERNANCE ON LIMITING CREATIVE ACCOUNTING PRACTICES WITH AUDIT COMMITTEES AS A MODIFIED VARIABLE

Dependent variable	(R)	(R2)	F Calculated	(R2) The change in the coefficient of determination	change in F	Sig* F
Creative accounting practices	0.579	0.335	35.148	0.272	35.145	0
	0.779	0.606	52.639	0.335	47.022	0

The results of the study indicate that the introduction of audit committees between governance and creative accounting practices has reduced creative accounting practices by a value of (0.335) and that the significance of limiting creative accounting practices was revealed by the value of the change in the significance level of the statistical scale (F), which amounted to (0.000). Results of a pathway analysis of the impact of governance on creative accounting practices with audit committees as a modified variable. Where Table No. (6) shows the results of the pathway analysis of the impact of governance on creative accounting practices, with audit committees as a modified variable. Where the results of the study showed the existence of a governance impact on creative accounting practices in the presence of audit committees as a modified variable at a significance level (**$\alpha \leq$ 0.05**).

Table 6
PATH ANALYSIS TEST RESULTS TO INVESTIGATE THE DIRECT AND INDIRECT IMPACT OF GOVERNANCE ON CREATIVE ACCOUNTING PRACTICES WITH AUDIT COMMITTEES AS A MODIFIED VARIABLE

Statement	Chi2	GFI	CFI	Sig*	Direct Effect		Indirect Effect	T Calculated	Sig*
Governance in creative accounting practices with audit committees as a modified variable	16.964	0.911	0.886	0	Governance is collectively in audit committees	0.771	*0.409	11.971	0
					Audit committees in creative accounting practices	0.54		6.558	0

GFI: Goodness of Fit Index must Proximity to one
CFI: Comparative Fit Index must Proximity to one

RESULTS

The purpose of this research was identify the moderating effect of the role of audit committees in The Relationship that exists between Corporate Governance and Limiting of Creative Accounting Practices, A field study on Jordanian public shareholding companies , this research came up with the following findings:

a) Most studies and researchers have agreed that the application of corporate governance and audit committees will Limit the Practices of Creative Accounting, and support its capability of submitting creditability of financial statements.

b) Corporate Governance in effects the limiting of practices creative accounting.

c) Audit committees has the moderating effect in the relationship between corporate governance and limiting of practices creative accounting.

CONCLUSION

Some conclusions have been drawn from the findings of this study. These are:

Corporate governance significantly affects creative accounting practices in Jordan. Additionally the results revealed that various parties have showed mixed interests in adopting creative accounting practices. This means that some benefit from using creative accounting practices as it provides the flexibility, which allows managers to deliver the results they wish to present. On the other side, some managers would be reluctant to use creative accounting practices as it can be used to bypass the rules of accounting and its regulations which undermine the basic credibility of the accounting information provided.

Another finding of this study revealed that auditors are concerned about creative accounting as it could contribute to the company's collapse, and thus could be blamed which in turn makes others suffer as a result of this. Suppliers and bankers could get an unreal sense of security when accounts are subject to creative accounting. Finally, employees could be misled by the results of the company. It is necessary to have good corporate governance to avoid creative accounting,. There are four elements of corporate governance which are particularly important: the strong internal control, the separation of the posts of chief executive and chairman, the presence of an audit committee and the existence of independent directors. Consequently, a system of effective corporate governance is required to limit practices of creative accounting.

RECOMMENDATIONS

Based on the conclusion of this study, the study offers the following recommendations:

1. Companies should be motivated to put in place an effective corporate governance mechanism they will curtail creative accounting practices. In particular, the independence of the audit committee should be sacrosanct and compelled among the listed companies in Jordan.
2. It is important that the different accounting entities have to develop the mechanisms that reinforce and promote the moral behavior as it plays a great role in decreasing the risks that the financial reports might encounter due to using the creative accounting techniques.

REFERENCES

Ahmed, M. (2016). The role of audit committees in limiting profit management practices - A field study. *Neelain University Journal, 5*(19) 65-76.

Abata, M., & Migiro, S. (2016). Corporate governance and management of earnings: Empirical evidence from selected Nigerian-listed companies. *Investment Management and Financial Innovations, 13*(2), 189-205.

Alina, B.V., & Matis, D. (2010). Corporate governance and creative accounting: Two concepts strongly connected? Some interesting insights highlighted by constructing the internal history of a literature, *Annales Universitatis Apulensis Series Oeconomica*, 12-24.

Akenbor, C.O., & Ibanichuka, E.A.L. (2012). Creative accounting practices in Nigerian banks. *African Research Review, 3*, 23-33.

American Institute of Certified Accountants. (2008). Current accounting issues and risk an alert for audit committees.

Bhatti, M.A., Hoe, C.H., & Sundram, V.P.K. (2012). *A guide for beginner's data analysis using SPSS and AMOS*. Pearson Malaysia.

Chongsirithitisak, O. (2015). *Detection of creative accounting in financial statements by model the case companies listed on the stock exchange*. City publisher.

Haouam, D., & Deffaoui, A. (2013). Corporate governance and creative accounting, faculty of economics and management publications, BadjiMokhtar|University, Algeria – Annaba.

Hair, J.F., Hult, G.T.M., Ringle, C., & Sarstedt, M. (2016). *A primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. Sage publications.

Ibrahim, A.A., & AL-Ba'aj, H. (2017). Corporate governance and its role in limiting down creative accounting in financial reporting: Empirical study of a sample from the Iraqi banks that are listed in the Iraqi stock market, higher studies. *Journal of Al-nielayn University, 28*(7).

Ikumapayi, T., Uwuigbe, U., Uwuigbe, O., Ozordi, E., Oriabie, S., &Asiriuwa, O. (2018). The effect of corporate governance attributes on earnings management: A study of listed companies in Nigeria. *Academy of Strategic Management Journal*, *17*(6), 1-13.

KPMG. (2016). *Corporate failures forensic.* Retrieved from https://assets.kpmg.content/dam/kpmg/pdf/2016.

Khan, M. (2017). Financial performance, Corporate governance, Business enterprises.*Journal of Banking & Financial Economics*, 1(19), 51-69.

Kothari, C. R. (2016). *Research methodology: Methods and techniques*. New Age International, Add city.

Lai, O., & Bello, S. (2012). The concept and practice of corporate governance in Nigeria: The need for public relations and effective corporate communications. *Journal of Communication Publication Series*, *3*(1), 1-16.

Muda, I., Maulama, W., Siregar, H., & Indra, N. (2018). The analysis of effects of good corporate governance on earnings management in Indonesia with panel data approach. *Iranian Economic, 22*(2), 599-625.

Michael, J.J. (2011). *Creative accounting, fraud, and international accounting scandals*. John Wiley & Sons: England.

Olojede, P., Iyoha, F., & Egbide, B. (2020). Corporate governance and creative accounting practices in the listed companies in Nigeria. *Academy of Accounting and Financial Studies Journal*, *24*(4), 22-34.

OECD. (2015). G20/OECD Principles of corporate governance Paris: OECD Publishing, 2, rue André-Pascal, 75775.

Obigbemi, I., Omolehinwa, E., Mukoro, D., Ben-Caleb, E., & Olusanmi, O. (2016*).* Earnings management and board structure: Evidence from Nigeria. *Sage open*.

Odia, J.O., & Ogiedu, K.O. (2013). Corporate governance, regulatory agency and creative accounting practices in Nigeria. *Mediterranean Journal of Social Sciences*, *4*(3), 55-66.

Pallant, J., & Manual, S.S. (2010). *A step by step guide to data analysis using SPSS*. Berkshire UK: McGraw-Hill Educatio.

Romulus, B., Ramona, R., & Adrian, G. (2012). Qualitative study regarding the relationship betweencorporate governance and creative accounting, The Annals of the University of Oradea. Economic Sciences, (2).

Shan, Y. (2015). Value relevance, earnings management and corporate governance in China. *Emerging Markets Review, 23***,** 186-20.

Shin, H., & Kim, S. (2019). The effect of corporate governance on earnings quality and market returns to low quality earnings in Korea. *Sustainability*, *11*, 1-17.

Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. John Wiley & Sons.

Sekaran, U., & Bougie, R. (2010). *Research methods for business: A skill building approach*. John Willey and Sons: New York.

Zang, A. (2012). Evidence on the trade-off between real manipulation and accrual manipulation. *Accounting Review*, *87*(2), 675-703.