

Creative Accounting in the Public Sector: Detecting, Cleaning Up and Renewing Financial Governance — Analysis from a Moroccan Case Study

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ABSTRACT

Creative accounting in the public sector represents a hidden threat to financial transparency and budgetary sustainability. This article explores the mechanisms, motivations, and impacts of creative accounting practices within public entities through a dual theoretical and empirical approach. First, a critical literature review conceptualizes the various forms of accounting manipulation and highlights their detrimental effects on governance. Second, a practical case study, based on an audit mission conducted by the author within a Moroccan public organization, illustrates the anomalies identified and the corrective actions implemented. The analysis shows that creative practices, often driven by political or institutional pressures, undermine the quality of financial reporting and weaken democratic accountability. In response, the article proposes a set of remediation strategies, combining technical corrections, strengthened internal controls, the promotion of an ethical culture, and the modernization of financial information systems. This research emphasizes the need for a robust regulatory framework in public accounting to restore citizen trust and ensure responsible and sustainable financial governance.

Keywords: creative accounting, public management, financial reporting, governance, ethics.

INTRODUCTION

The deliberate manipulation of accounting information, known as creative accounting, is now a critical issue for public financial governance. While most research has focused on the private sector (Mulford & Comiskey, 2002; Amor & Warner, 2003), numerous recent studies show that public bodies are not spared from these practices (Benito, Montesinos & Bastida, 2008; Vinnari & Näsi, 2008). In this context, public financial transparency becomes an essential pillar to preserve citizens' trust and ensure budgetary sustainability.

Creative accounting in public administration is distinguished by specific mechanisms: off-balance sheet transfers, premature recognition of revenues, underestimation of liabilities, among others (Benito et al., 2008; Pijper, 1993; Archer, 1996). These practices, often motivated by political objectives or regulatory constraints, contribute to altering the true image of public finances and expose local authorities to major systemic risks.

In order to empirically analyze these issues, this article is based on an audit mission conducted by the author, Mohammed Belkasseh, as a former head of mission in a Moroccan accounting firm. This mission, carried out between 2017 and 2018 on a public body operating in the infrastructure sector, made it possible to identify several accounting anomalies characteristic of creative accounting mechanisms. The case study thus constituted serves as an empirical support to illustrate the main issues addressed and to propose detection and remediation avenues adapted to the public context.

Methodologically, the article combines a critical review of the academic literature (Griffiths, 1986; Blake et al., 2000; Archer, 1996; Mulford & Comiskey, 2002) with a case study-like approach (Yin, 2003), which allows for a contextualized and in-depth analysis of the phenomenon. The approach adopted is based on the literature review of financial statements, the use of independent audit reports and the triangulation of available data to ensure the robustness of the conclusions.

The article is structured in two main parts. The first develops a conceptualization of creative accounting in the public sector, specifying its mechanisms, motivations and deleterious effects on governance. The second part, based on the practical case study, proposes a method for detecting creative practices as well as reorganization strategies intended to strengthen the financial transparency of public bodies.

By combining theoretical reflection and empirical analysis, this article aims to enrich the understanding of creative accounting practices in the public sector and to propose concrete tools to limit their effects, thus contributing to a more rigorous and accountable public financial governance.

PART 1: UNDERSTANDING CREATIVE ACCOUNTING IN THE PUBLIC SECTOR

Definition and Typologies of Creative Accounting

Creative accounting is defined as the strategic use of the flexibility inherent in accounting standards to present financial statements in a more favourable light than economic reality would warrant (Naser, 1993). It is based on the ability of financial statement preparers to transform, within the permitted technical limits, accounting figures to achieve specific objectives, while formally complying with the standards in force.

According to Griffiths (1986), every company practices some form of accounting "cooking" in one way or another, calling creative accounting "the biggest sleight of hand since the Trojan horse". Jameson (1988) goes on to point out that accounting is fundamentally an area of arbitration between different possible interpretations, and that this latitude provides fertile ground for the legal manipulation of financial results. Thus, creative accounting does not

necessarily involve fraudulent acts, but rather the skilful exploitation of the margins of judgment provided for by the standards.

Mulford and Comiskey (2002) provide a detailed typology of creative accounting practices. In particular, they identify:

1. premature or fictitious recognition of income;
2. the aggressive capitalization of costs that should have been expensed;
3. understatement of liabilities and provisions;
4. voluntary smoothing of results to reduce the volatility of the bottom line, a process known as earnings smoothing. This typology highlights the diversity of methods used to alter the presentation of financial performance.

From a broader perspective, Amor and Warner (2003) insist that accounting is inherently an inexact science. They show that subjectivity affects the processes of asset valuation, provision valuation, and revenue recognition, which creates opportunities for creative practices, even in the absence of malicious intent.

In addition, Archer (1996) proposes an ethical reflection on creative accounting, insisting on the fact that even if certain practices remain technically legal, they can seriously compromise the reliability of financial information and damage the confidence of stakeholders. This view underscores the importance of distinguishing formal compliance with standards from the spirit of transparency and fairness expected of financial statements.

Finally, Pijper (1993) offers a complementary typology according to the objectives pursued by the manipulating entities. According to him, creative accounting can aim to:

- artificially maximize the bottom line;
- improve financial ratios in order to attract investors and creditors;
- deter takeover attempts by artificially strengthening financial soundness.

Thus, the cross-analysis of these different approaches reveals that creative accounting is both a plural practice and a systemic phenomenon, nourished by the interpretive opportunities offered by accounting standards and by the economic, political and managerial incentives specific to each organization.

In the context of the public sector, where the pressures to achieve fiscal or policy objectives are particularly strong, this interpretive flexibility can be exploited even more markedly, reinforcing the need for enhanced oversight and ethical vigilance.

Motivations and Mechanisms Specific to Public Bodies

Creative accounting in public bodies is distinguished by motivations that are deeply rooted in the political, economic, and regulatory imperatives faced by public entities. Unlike the private sector, where the pursuit of profit and the optimization of shareholder value are the main drivers (Mulford & Comiskey, 2002), the public sector is primarily driven by the objectives of fiscal compliance, maintaining perceived financial stability, and responding to institutional pressures.

A major motivation lies in the need to respect the macroeconomic criteria imposed by supranational frameworks. Benito, Montesinos and Bastida (2008) show that, in the Spanish context, the requirements of the European Stability and Growth Pact have encouraged many public authorities to use accounting mechanisms to hide part of their debt. The massive use of public-private partnerships (PPPs) has made it possible to transfer financial commitments outside the consolidated budgetary perimeter, offering an artificially healthy picture of the public financial situation.

In a similar vein, Vinnari and Näsi (2008) show that Finnish municipalities have sometimes used techniques to manipulate financial flows from public services (especially water) in order to generate apparent budget surpluses. This practice, known as "milking", consists of overcharging public services to discreetly transfer surpluses to the general budget, without resorting to politically sensitive tax increases.

In addition to budgetary constraints, broader political considerations are driving the use of creative accounting. Archer (1996) points out that the pressure to maintain a rigorous management image is particularly strong in the public sector, where the trust of citizens and institutional partners is a strategic asset. Thus, the presentation of a reduced deficit or a controlled public debt becomes a political objective in itself, regardless of the underlying economic reality.

The mechanisms used to achieve these objectives are multiple and often sophisticated. Blake et al. (2000) identify the selective use of available accounting options—such as the choice of depreciation methods or the valuation of assets—as a privileged lever for beautifying financial statements without formally violating the rules in force. This behaviour is amplified by the lack of public accounting standards in many countries that are as stringent as those in the private sector, leaving more room for interpretation.

Moreover, as Mulford and Comiskey (2002) point out, public bodies may be encouraged to manipulate their accounts to maximize the availability of funding, to comply with contractual clauses for subsidies, or to avoid penalties in the event of exceeding budget thresholds. From this point of view, accounting manipulation becomes a strategic instrument of financial survival.

Finally, Pijper (1993) highlights the role of regulatory changes in the dynamics of public creative accounting. The rapid introduction of new management or reporting standards without sufficient support creates strong incentives for opportunistic adjustments, in a context where formal compliance is often prioritized over real transparency. Thus, the combination of political, economic and institutional pressures is forging an environment conducive to the development of creative accounting in public bodies, calling for a strengthening of detection and control mechanisms to preserve the integrity of public financial information.

Perverse Effects on Financial Transparency and Governance

The practice of creative accounting in the public sector has significant perverse effects, calling into question both financial transparency and the quality of governance. Although some

manipulations are technically compliant with existing standards, their impact on the reliability of accounting information is substantial, ultimately affecting stakeholder confidence.

Archer (1996) points out that one of the first effects of creative accounting is the erosion of confidence in financial reporting. By departing from the spirit of norms to achieve political or institutional objectives, public bodies undermine their own credibility. This loss of trust weakens the ability of institutions to obtain citizen support and legitimize their financial decisions. The perceived integrity of financial reporting is indeed a fundamental pillar of public governance.

Similarly, Vinnari and Näsi (2008) demonstrate that accounting manipulations by some Finnish municipalities have hindered democratic accountability. By concealing the true extent of financial commitments, public authorities have prevented citizens from exercising informed control over the management of collective resources. This lack of transparency compromises the ability of democratic mechanisms to sanction abuses and, in the long term, encourages a technocratic drift in governance.

The Spanish case studied by Benito, Montesinos and Bastida (2008) offers an additional illustration. The massive use of off-balance sheet financing, through public-private partnerships, has allowed governments to have artificially low levels of debt. However, these unrecognized liabilities have constituted a massive implicit debt, exposing public finances to major future fiscal risks. Thus, by promoting an illusion of financial sustainability, creative accounting shifts risks to future generations while depriving decision-makers and citizens of a faithful view of the current economic situation.

From a more general perspective, Mulford and Comiskey (2002) emphasize the cumulative effect of creative accounting. As manipulative practices become tolerated or commoditized, the overall quality of financial reporting deteriorates. This gradual erosion increases the systemic risk of a generalised crisis of confidence, not only in the public institutions concerned but also in the financial control system as a whole.

Finally, Blake et al. (2000) highlight the negative impact on the quality of the decision-making process. By producing biased or incomplete information, creative accounting prevents external actors – such as regulators, creditors and citizens – from properly assessing performance and risks. This information asymmetry weakens external control mechanisms, dilutes political accountability and reduces the effectiveness of public governance.

In summary, creative accounting, by altering financial transparency, generates a vicious circle where trust, accountability and democratic governance are gradually weakened, exposing public administrations to increased risks of budgetary drift and citizen disaffection.

Legal Frameworks and Ethical Limits of Creative Accounting

The existence of creative accounting, even when it technically complies with accounting standards, raises important legal and ethical issues for public bodies. While the legal framework formally delineates acceptable practices, accounting ethics imposes additional requirements of sincerity, transparency and fidelity in the representation of economic reality.

Archer (1996) points out that mere compliance with accounting standards is not enough to guarantee the probity of financial reporting. He recalled that the primary mission of accounting was to provide users with a true picture of the economic situation of an entity. Any manipulation which, even in apparent compliance with the norms, alters this representation constitutes a serious breach of the fundamental principles of integrity and loyalty. This analysis highlights the importance of conscientiousness and personal ethics in the preparation of public financial statements.

From a legal point of view, Mulford and Comiskey (2002) demonstrate that while accounting standards offer some latitude of interpretation, abuses can cross the border into financial fraud. When adjustments exceed reasonable limits and are intended to deliberately deceive account users, they fall under financial regulations, such as those implemented by the Securities and Exchange Commission (SEC) in the United States. This dynamic underlines the need for public bodies not only to aim for formal compliance, but to be part of a logic of real transparency to prevent any legal drift.

This tension between technical compliance and ethical obligation is also underlined by Blake et al. (2000). They insist that a "correct" presentation within the meaning of the standards can be fundamentally misleading if it is structured to hide important information or to present a distorted economic picture. This decoupling between procedural legality and substantive transparency is one of the main risks associated with creative accounting in the public sector. Amor and Warner (2003) address the practical difficulty associated with the existence of "grey areas" in accounting standards. They show that the absence of strict rules on certain transactions allows public managers to practice forms of accounting optimization that are difficult to challenge legally, but which can be ethically questionable. In this context, professional ethics becomes a key barrier against potential abuses, calling for strengthening the ethical training of public accountants and clarifying expectations on the quality of financial reporting.

Finally, Pijper (1993) insists on the need for a robust regulatory framework to limit opportunistic behaviour. It argues that weak or unclear legal frameworks encourage the development of accounting manipulation practices, particularly in public environments under strong political or budgetary pressures.

Thus, the fight against creative accounting in the public sector cannot be limited to strict compliance with existing accounting standards. It requires a rigorous articulation between legal requirements and ethical commitment, in order to ensure the production of sincere, transparent and useful information for democratic governance and the effective management of public resources.

PART 2: CREATIVE ACCOUNTING DETECTION AND CLEANUP

Detection Techniques: Analytical Tools and Warning Indicators

The detection of creative accounting in public bodies relies on the combined use of advanced analytical techniques and warning indicators. The objective is to identify financial anomalies likely to indicate accounting manipulations, while taking into account the specificities of the public sector.

Mulford and Comiskey (2002) propose an approach based on the cross-analysis of the income statement, the balance sheet and the cash flow statement. They insist on the need to systematically compare the evolution of net income with that of operating cash flows. A growing gap between the two measures is often the first sign of aggressive accounting practices. In addition, they recommend paying close attention to abnormal changes in balance sheet items, including accounts receivable, inventories and provisions, which can be manipulated to smooth out results.

In the same vein, Blake et al. (2000) emphasize the effectiveness of financial ratios as tools for early detection. Longitudinal monitoring of the inventory turnover ratio, the interest coverage ratio and the debt ratio makes it possible to identify atypical deviations that could result from opportunistic accounting policies. These authors emphasize the importance of a temporal rather than a one-off analysis, in order to detect suspicious trends over several fiscal years.

Amor and Warner (2003) emphasize the internal consistency of financial statements. They believe that revenue growth must be accompanied by a parallel increase in operating cash flow. A persistent discrepancy between these two indicators may signal premature recognition of income or underestimation of expenses. This method is based on the cross-validation of the different dimensions of financial performance. Specifically, for the public sector, Benito et al. (2008) highlight the need to analyze off-balance sheet commitments, particularly those related to public-private partnerships (PPPs). These financial instruments, often used to circumvent budget constraints, mask implicit debts that do not appear in traditional financial statements. The careful analysis of accounting appendices and contractual documents therefore becomes essential.

Finally, Vinnari and Näsi (2008) recommend increased monitoring of financial transfers between public entities and general budgets. Abnormally high profits in public units, accompanied by large repayments to the general budget, can mask poor structural performance. Similarly, an opportunistic use of provisions and depreciation is another important warning indicator.

Table 1: Summary of the main analytical tools for detecting creative accounting¹.

Analytical tools	Warning indicators
Comparison of net income and cash flow (Mulford & Comiskey, 2002)	Growing gap between accounting income and cash flow.
Analysis of financial ratios (Blake et al., 2000)	Abnormal falls or increases in inventory, receivables and payables ratios.
Consistency between financial statements (Amor & Warner, 2003)	Revenue growth not supported by cash flows.
Analysis of off-balance sheet liabilities (Benito et al., 2008)	Significant presence of PPPs and unconsolidated financing.
Internal Transfer Monitoring (Vinnari & Näsi, 2008)	Abnormal profits and massive financial transfers to central budgets.

¹ The rigorous application of these tools makes it possible not only to detect potential anomalies but also to strengthen vigilance in the financial governance of public bodies.

Case Study: Application Within a Moroccan Public Body

The analysis of creative accounting in public bodies requires a methodological approach capable of capturing the complexity of financial practices in context. The case study, as defined by Yin (2003) and mobilized by Mulford and Comiskey (2002), offers an appropriate methodological framework when it is necessary to understand a phenomenon in its real environment and to grasp its multiple dimensions.

In this perspective, an audit mission was carried out on a Moroccan public body in charge of infrastructure projects, focusing on the analysis of endowment accounts and subsidies for the 2017 and 2018 financial years. This mission focused on three main categories of accounts: **the Endowment Fund, Investment Grants, and Operating Grants.**

OVERVIEW OF THE SCOPE OF ANALYSIS

The scope of the mission (II.4.3) included the analysis of accounts related to external financing, in particular:

- Endowment Fund (Account 13),
- Investment subsidies (account 139),
- Operating subsidies (account 74).

These positions were selected because of their importance in the financial structure of the organization and the high risk of anomalies related to the recognition, amortization and presentation of these fundings.

RESULTS OF THE ANALYSIS OF THE "ENDOWMENT FUND" ACCOUNT

The use of the external audit reports (II.5.1) has highlighted several accounting adjustments related to the Endowment Fund. The analysis of the account itself (II.5.2) revealed:

- Insufficient justification of the amounts entered;
- A lack of evidentiary documentation for certain in-kind contributions;
- Unexplained discrepancies between management data and accounting.

These findings are consistent with the warning signs identified by Mulford and Comiskey (2002), according to which the lack of documented equity correspondence is a major risk indicator of creative practices.

Results of the Analysis of the "Investment Grants" Account

The analysis of investment subsidies (II.6) was structured in several stages:

- The analysis of management data (II.6.1) highlighted a gap between the projects financed and their actual progress;
- The analysis of accounting data (II.6.2) revealed a failure to amortize subsidies at the actual rate of use of the fixed assets financed.

The reconciliation between management data and accounting data (II.6.3) revealed a difference of 8% between subsidies consumed from a budgetary point of view and their accounting recognition, generating an artificial increase in equity. These practices are similar to the strategies for optimizing off-balance sheet commitments documented by Benito, Montesinos and Bastida (2008).

Finally, the analysis of adjustments (II.6.4) showed that several "reclassification" operations had been carried out at the end of the year, without a solid economic justification, in order to smooth out the result.

Results of the Analysis of the "Operating Grants" Account

Concerning operating subsidies (II.7), the analysis revealed:

- On the management side (II.7.1), the use of subsidies is disconnected from the planned allocations, in particular by implicitly carrying over unused appropriations;
- On the accounting side (II.7.2), partial recognition of subsidies in subsequent financial years, derogating from the principle of independence of financial years.

The reconciliation (II.7.3) showed a significant cumulative difference between the amounts received and the amounts recognized in the income statement, in contradiction with the requirements of budgetary sincerity set out by Amor and Warner (2003).

Table 2 below concentrates the anomalies observed by item concerned.

Table 2: Summary of the anomalies observed.

Position analyzed	Type of anomaly observed	Theoretical reference mobilized
Endowment Fund	Insufficient justification, unexplained discrepancies.	Mulford & Comiskey (2002)
Investment Grants	Inconsistency between budget consumption and accounting depreciation.	Benito et al. (2008)
Operating Grants	Discrepancy between collection and accounting recognition.	Amor & Warner (2003)

This case study confirms that, even within public bodies, creative accounting can be practiced to artificially improve the perceived financial situation, often under pressure from budgetary or institutional imperatives. By cross-referencing accounting analyses, external audits and management data, this mission demonstrates the importance of rigorous detection methods to restore the sincerity of public accounts.

Accounting Consolidation Strategies: Prevention and Correction

Cleaning up the accounting situation of a public body affected by creative accounting practices requires a systematic approach combining immediate corrections and preventive actions. In accordance with the recommendations of Mulford and Comiskey (2002), an effective remediation plan must include the retroactive correction of anomalies, the improvement of accounting processes, and the ethical awareness of teams.

Adjustments Made Following the Audit Engagement:

Concerning the **Endowment Fund**, the audit revealed the absence of supporting documents for certain contributions. Work has been undertaken to reconstruct the documents and reprocess the accounts in order to give a true picture of the net worth. On **Investment Grants**, depreciation adjustments have been made in order to correct the discrepancies observed between the useful life of the assets financed and the rate of accounting spread of the subsidies.

Finally, for **Operating Subsidies**, a strict reconciliation between the flows received and the revenue recorded has been achieved, putting an end to the systematic discrepancies observed in previous years.

Table 3 below lists the proposed adjustments by item.

Table 3: The main items concerned by the corrective adjustments following the audit mission on the Moroccan public body studied.

Position concerned	Adjustments made	Theoretical reference mobilized
<i>Endowment Fund</i>	Re-evaluation and documentation of unjustified intakes; retroactive accounting restatements.	Mulford & Comiskey (2002)
<i>Investment Grants</i>	Depreciation aligned with the actual useful life of the financed fixed assets.	Benito, Montesinos & Bastida (2008)
<i>Operating Grants</i>	Reconciliation between subsidies received and revenues recognized; Correction of the carry-over of appropriations.	Amor & Warner (2003)

Prevention Strategies Put in Place

Beyond immediate corrections, structural measures have been recommended to prevent the re-emergence of creative accounting practices.

Strengthening Internal Control:

Inspired by the recommendations of Mulford and Comiskey (2002), a reinforced internal control has been established over sensitive writing:

- Establishment of procedures for the quarterly review of fund and grant accounts;
- Use of **checklists** to systematically detect anomalies in investment and operating operations.

Improved Accounting Transparency:

According to Blake et al. (2000), the transparency of the notes to the financial statements has been strengthened. Explicit information on grants, their allocation and depreciation is now presented, allowing the readers of the accounts to better understand the financial flows.

Ethical Sanitation:

In accordance with Archer's (1996) reflections, awareness-raising activities have been carried out among public managers in order to promote an organizational culture oriented towards accounting integrity:

- Specific training on financial ethics;
- Internal accounting transparency charter adopted by the organization.

Modernization of the Accounting Information System:

Amor and Warner (2003) emphasize the importance of good traceability of financial flows to limit the risks of manipulation. With this in mind, improvements to the accounting information system have been undertaken:

- Automation of the link between budget collection and accounting;
- Automatic alerts in case of significant deviations.



Figure 1: General diagram of the remediation process applied².

The experience of this public body shows that the consolidation of the accounts cannot be limited to the technical correction of the financial statements. It must be accompanied by a profound reform of internal practices, the adoption of a strong ethical culture and the continuous improvement of information and control systems. Only a comprehensive approach can restore the reliability and credibility of public accounts in the long term.

Proposals for Better Supervision: Towards Strengthened Financial Governance

The recurrence of creative accounting practices in the public sector demonstrates the limitations of existing financial control and governance arrangements. To strengthen accounting integrity and restore confidence in public financial statements, several areas for improvement are identified based on the best practices documented in the literature.

Building an Ethical Organizational Culture:

As Archer (1996) points out, the sustainable improvement of accounting practices depends above all on the establishment of a true ethical culture within public bodies. It is imperative to raise awareness among all accounting and financial officers of integrity issues, by integrating regular training on professional ethics and by disseminating charters of transparency and sincerity of financial information. Adherence to the values of financial responsibility must become a criterion for evaluation and internal promotion.

Strengthening Internal Control and Early Detection Systems:

According to Mulford and Comiskey (2002), effective governance is based on structured internal control, targeted at risk areas. It is recommended to:

- Formalize systematic procedures for reviewing sensitive entries (provisions, subsidies, fixed assets);
- Deploy early warning tools to detect unusual anomalies;
- Conduct regular internal audits focused on consistency between budget and accounting flows.

The implementation of "checklists" for controlling and scoring anomalies is an effective method of limiting interpretive room for manoeuvre.

Increasing the Transparency of Financial Reporting:

The clarity and completeness of financial statements are essential levers for improving governance, as Blake et al. (2000) point out. It is necessary to:

- Strengthen the explanatory notes to the accounts by detailing the accounting methods

² This process is consistent with the good financial consolidation practices recommended by Mulford and Comiskey (2002) and confirms the importance of the integrated approach to achieving a sustainable improvement in the accounting situation of a public body.

applied and their impacts;

- Disclose information on financial risks related to off-balance sheet commitments;
- Require public bodies to disclose any significant changes in accounting policies.

More complete financial reporting reduces the ability of government entities to camouflage their liabilities and manipulate the interpretation of results.

Strengthening Budget Governance and Commitment Management:

Benito et al. (2008) emphasize the importance of monitoring off-balance sheet liabilities, particularly those arising from public-private partnerships. Proposals include:

- The systematic consolidation of implicit debts in the consolidated financial statements;
- The implementation of regulatory ceilings on contingent commitments;
- Mandatory external audit of structured finance contracts.

These measures would make it possible to restore a more accurate picture of real public debt and to avoid the excesses observed during the sovereign debt crisis.

Modernizing Accounting Information Systems:

Finally, Amor and Warner (2003) recommend investing in integrated financial information systems that are able to:

- Ensure complete traceability of budget and financial flows,
- Automate the detection of abnormal discrepancies between forecasts and realizations,
- Produce regular dashboards for financial performance management.

A modernized accounting infrastructure provides an additional technological barrier against opportunistic manipulation.

CONCLUSION

Creative accounting in the public sector is an underestimated systemic risk to financial transparency, governance and fiscal sustainability. This article has shown that, although creative accounting can be carried out within the formal limits of accounting standards, its effects on the quality of public financial reporting are particularly pernicious.

In the first part, we conceptualized creative accounting, specifying its mechanisms, its specific motivations in the public context, as well as its deleterious impacts on transparency and democratic governance. Drawing on major references such as Archer (1996), Blake et al. (2000) and Benito et al. (2008), our analysis has shown that the interpretive flexibility of accounting standards provides managers with significant margins to manipulate the presentation of results, sometimes to the detriment of the imperatives of sincerity and accountability.

In a second part, through the case study of a Moroccan public body, we illustrated how creative accounting can materialize in public accounts through anomalies in endowment funds, investment and operating subsidies. The methodological analysis inspired by Yin (2003) has made it possible to structure the detection of anomalies and to propose concrete remediation strategies. These strategies, in line with the recommendations of Mulford and Comiskey (2002) and Amor and Warner (2003), have focused on both retroactive correction and the introduction

of strengthened internal control systems, a strong ethical culture and the modernization of accounting information systems.

However, this research has some limitations. On the one hand, the study is based on a single case, which limits the generalization of the results. On the other hand, the long-term effects of the recommended consolidation measures have not yet been assessed, due to a lack of sufficient time hindsight. Finally, the data collected depends in part on access to the internal documents of the public entity, taking into account confidentiality rules, which can introduce a selection bias.

These limitations open up several avenues for future research. It would be relevant to increase the number of comparative case studies in various institutional contexts in order to identify recurrent or specific patterns. Similarly, a longitudinal approach would make it possible to measure the real effectiveness of the remediation strategies implemented. Finally, the impact of accounting digitalization on the reduction of interpretive room for manoeuvre deserves to be studied in more depth.

In short, the fight against creative accounting in the public sector cannot be effective without a comprehensive reform that combines ethical requirements, accounting rigour and strengthened governance. Public financial transparency must once again become a strategic priority, not only to ensure budgetary sustainability, but also to restore the democratic trust that is essential to any management of collective resources.

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