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THE ROLE OF THE AUDIT IN THE CORPORATE GOVERNANCE SYSTEM

MONICA OCNEAN

UNIVERSITY OF LIFE SCIENCES "KING MICHAEL I" FROM TIMIŞOARA

Abstract: *A transparent and timely communication is the first tool by which accounting fraud can be prevented. The link between information and fraud prevention is independent of the corporate governance method adopted, the organization chart structure and the control mechanism. The governance system in each member state, the characteristics of the historical, economic and legal context prove to us that there is no model immune to such fraudulent practices.*

• Introduction

TIn countries with pioneers in corporate governance, such as the UK and the US, private regulations follow public ones. The intermediaries who manage the stock exchanges are interested in the good functioning of the market and therefore in the trust offered by them, which is guaranteed by the stringent conditions for admission to the market and negotiation, especially with regard to transparency. As a result, even if it is not absolutely necessary, market rules are perceived at the level of legislation and public regulation assuming the role of "mandatory regulation". In the countries of Continental Europe, especially in Italy and France, the regulation of markets and the management of companies is predominantly public; this difference also has a substantial meaning - the "original" public intervention is inserted in a less receptive context and exposed to numerous unfavorable environmental conditions.

• Material and method

Astablishing the article's aim, choosing and studying the specialized literature and statistical reports, evaluating and interpreting the data, and drawing conclusions were the stages that went into its productiont

• Results and discussions

The majority of the members of the audit committee must be independent of the audited entity. The chairman of the audit committee is appointed by its members or by the supervisory board of the audited entity and is independent of the audited entity.

The audit committee has, among others, the following duties:

a) informs the administrator of the entity or the members of the board of directors/supervisory of the audited entity, as the case may be, regarding the results of the statutory audit and explains how the statutory audit contributed to the integrity of the financial reporting and what was the role of the audit committee in this process;

b) monitors the financial reporting process and submits recommendations or proposals to ensure its integrity.

• Conclusions

The two main models of corporate governance depend fundamentally on the conception of the separation between ownership and control. In the "outsider system" model, also defined as "market oriented", the relevant categories of companies are the so-called "public companies", characterized by a high fractional ownership, typical of companies listed on regulated financial markets and by a low concentration of ownership .