

Study on the Role of Auditing in Managing Financial Crises in the Business Practices

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Abstract: *The financial crisis that occurred in the past decade did not occur suddenly. Scholars must analyze the fundamental factors that led to the financial catastrophe. Regarding corporate governance, our focus will be on enhancing internal control and internal audit. Studies have identified specific warning signs that indicate the impending financial crisis. However, the main problem stems from inadequate financial detection and a lack of comprehension of the importance of the internal audit role in the internal control system. Internal audit is a fundamental pillar of corporate governance. The purpose of our study is to investigate the perception of financial auditors regarding the impact of their understanding of internal controls on the production of accurate financial reports and the enhancement of the audit procedure. In this study, we evaluate the importance of internal audit in the internal control system using data from 70 auditors who are members of the Romanian Financial Auditors Chamber, out of a total of 1178 members from all regions of Romania. To underscore the research, our focus has been on doing an empirical study in Romania*

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