The Role of a Manager in Account Auditing

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Abstract*: The financial audit should allow the auditor to opinionate that the financial statements were drafted in compliance with an identified framework of financial reporting. The financial auditing quality depends, among others, of the quality of the information the auditor avails of in judging the compliance with accounting principles and conventions. Most part of such information is supplied by financial accounting. In our work we attempt to identify the most significant contributions of the information drafted by management accounting in financial auditing and to show how such information, considered confidential, enhance the reliability of the auditor's opinion. Key words: management accounting, financial audit, financial information.*

Keywords: financial audit

I. INTRODUCTION

Most part of the accounting definitions lead to the idea that its part is to supply information, mainly financial, regarding the nature of an entity, information that should enable users (internal or external) to make judgments and to make decisions. In other words, accounting is a language of the economic activity and, like any other language, it has its own vocabulary, its own terminology, its own means of expression, conventions and principles and of course its own difficulties. Against this background, accounting theorists define their approach as a philosophy of information supply to support making the best decisions. Starting from the fact that in a real market economy entities operate in a competition- and risk-based environment and their objective is to obtain profits, it is necessary that the information provided by the accounting of a company should be dissociated in two parts: one to serve to external users, called financial or general accounting (considered the "external face" of an entity's accounting) and the other one meant generally for the managers called management or administrative accounting (considered the "internal face" of an entity's accounting). In all worldwide accounting systems, there is a distinction between the two components - financial accounting and administrative accounting. Yet, the way in which the two information circuits operate varies depending on the economic-social context in which accounting operates. Hence, it is well-known that in the Anglo-Saxon environment, accounting in organized in one circuit only (accounting monism) while in the Western European countries the dualist accounting model applies, assuming the operation of the two components of accounting in distinct circuits. Practically, the usefulness of accounting is the criterion that validates the model of organization of a company's accounting. In the last few years, the evolution to an automated accounting determined a functional integration between financial accounting and administrative accounting. Therefore, the book records of an operation feed a global (joint) database out of which useful information would be extracted for editing the financial reports of the financial accounting and the analysis charts and reports specific to the management accounting. Thus, the accounting of a company tends to become an integrated accounting (Ionașcu, 2003:134).

II. MANAGEMENT ACCOUNTING AND ITS INFORMATIONAL ROLE

The need for information is determined generally by the decisions to be made. Practically, the information produced should observe the three criteria stated by Emery(Emery, 1969:91): a) an information is valuable for the manager if it contributes to the decrease of uncertainty of the future; b) an additional information is valuable if it may affect that decision; c) an information is valuable if it plays a part in the "sensitive" modification of the consequences of a decision The use of administrative accounting in making decisions means that the general idea on the decision to be made should be established. Herbert Simon, Nobel prize winner,

author of the famous works on decision-making systems, presented in a study what managers expect from the administrative accounting (Simon, 1978:35): • Score keeping: "are things going to worse or better?"; • Attention

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directing: "what kind of problems should interest me?"; • Problem solving: "which is the best solution out of various solutions?". As administrative accounting (or management accounting) is oriented to information supply mainly to managers, its objectives should correspond to the three key-functions of management, that is: • planning: in this process, management accounting supports the determination of future objectives (strategic planning) supplying the necessary information for making decisions regarding the adopted manufacturing systems, the price policy of the company, the commercial policy and the estimation of the invested capital; • organization: to determine the amount of information needed in a company, it is necessary to identify the elements of the organizational structure and to better understand the methods of authority-establishment and responsibility sharing. While the organizational structure defines the lines of authority and responsibility assignment in a company, ensuring the general framework of work planning, management and control to reach certain objectives (for instance: profit maximizing), the management accounting assumes the design and implementation of an information accounting system for the definition and the reinforcement of these relations; • control: control, as basic function of the management of a company, involves the control of policy implementation, the evaluation of the performances made at all suborder levels and the correction of any malfunctioning while management accounting, as tool of administrative control, supplies the information on which budget bias analysis and corrective decision-making are based. In other words, management accounting "assists" the control function of management identifying the activities with the "problems" of the company. Obviously, the accuracy of a decision does not depend only on accounting information. Yet, we have to admit that accounting is a valuable tool and a "good adviser" for managers and other economic actors. Out of the two subsystems, of financial accounting and administrative accounting, we have to admit that the first lost the "informational dispute" of the business to the benefit of the other, because it is seen as "much slower", too general and sometimes irrelevant for users' needs. Besides, there are also informational constraints (Diaconu, 2002:28) linked to the fact that the information supplied by the financial accounting should be presented in a standard way (according to certain patterns) without any other representations or details but those fixed by regulations and principles. Under such circumstances, management accounting plays the part of solving the constrains if financial accounting, being oriented mainly to the measurement of the entity's performance. The information supplied by the management accounting is considered to be complementary rather than competitive. A problem to which management accounting has surely answers is future. It is generally said that financial accounting informs us on the past, on what happened, and management accounting is preoccupied of the future, of what is going to happen. The Chartered Institute of Management Accountants ñ CIMA considers that managerial accounting is an integral part of management that deals with the identification, the presentation and the interpretation of the information used for (Diaconu, 2002:17-18): • Strategy formulation; • Work planning and control; • Decision-making; • Optimization of resource use; • Information of associates or other external information users; • Employees' information; • Asset protection. Practically, the tasks of managerial accounting may synthesized as follows: 1. Strategic planning for objective achievement. Within this task, an important role is played by the formulation of short-term operational plans (profit budgeting); 2. Financial management - grounding procurement and funding operations; 3. Financial control - coordinating the corrective actions that lead to plan achievement;

4. Internal auditing, management auditing - presentation of reports and notes on the information system of the company and the operations conducted within it. The American professors Needles Jr., Anderson and Caldwell define managerial accounting as an information reporting system that, on the other hand, classify financial data depending on the areas of responsibility in an organization and, on the other hand, reports the manager'activities, including only the categories of income and expenses that a certain manager controls. Also called a profitability accounting, the management accounting system confers to the reports it generates a personal character, focusing on responsibility centers (Needles, 2000:1041).To supply the information necessary for grounding users' decisions, in certain situations, data outsourced from anything but the accounting system are required (extra-accounting data). These data are centralized, processed and controlled according to specific management-accounting procedures. After the crises of research in the field of managerial accounting that occurred in the second half of the 20th century, we assist nowadays (especially after 1980) to the re-launch of research in this field. The research methods used are tightly connected to the administrative practices of companies, forming the so-called "clinical" studies (operations conducted on site in order to identify new ways to improve performances) as data obtaining is more difficult to achieve because they are regularly confidential information. Some of the major innovations made lately in management accounting are: • Activity Based Costing ñ

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ABC, as a response to the criticism made against classical cost calculation models, representing a "revolutionary management approach"; • Value-based management, that solves problems linked to company management. Value creation is seen by shareholders from the perspective of the economic value added model (Economic Value Added-EVA); • The use, besides the financial indicators, of non-financial indicators for performance assessment. The balanced scored management tool (the modern version of the control panel) tries to identify the factors generating performance, following the coordinates: investors' satisfaction, clients' satisfaction, the quality of internal problems, and the company development and innovation capacity. By this management tool, the cause-effect relations between company operational performances and strategic results are emphasized.

III. FINANCIAL AUDIT AND ITS INFORMATIONAL SOURCES

Generally, auditing is the modality by which an (interested) person is ensured by another person (knowledgeable, competent and independent) of the quality, the conditions and the status of a certain aspect that the letter examined. Starting from this general definition of auditing, we have to admit that the best known segment of auditing is the financial one that had practically a parallel evolution with that of accounting. The American Institute of Certified Accountants - AICPA appreciates that auditing is the examination of the financial reports of an entity by an independent auditor having as objective "the expression of an opinion on a true image that annual accounts render in relation to the financial status, the results and the changes in the financial status in compliance with the generally accepted accounting principles" (Robertson, 1988: 5). Some authors think that auditing is the "control procedure of a company's accounting and management" (PigÈ, 1997:39).The reliability of the true image provided by accounting is influenced by the observance of the principles regarding the regularity and the truthfulness of accounting, the quality of the procedures used the moral-professional attitude of the accounting-information providers and the contradictory interests of the accounting-information users. Under these circumstances, auditing is called to express an independent opinion on the annual financial reports and to defend equally all accounting-information users, all actors on the social-economic stage (shareholders, state, employees, banks, stock exchanges, debtors, creditors, suppliers, customers, company managers, etc.).

The specialists that authenticate and validate the information provided by accounting observing the requirements of independence and compatibility with operations and the persons checking them, are called to achieve their mission without being influenced by users' contradictory interests (Oprean, 1997:102). Based on the opinions expressed by consecrated authors in the field and on the acquired experience in auditing, we may consider that the following concepts apply to the financial auditing (Florea, 2005:100): 1. Auditing is a professional examination because the professional auditor, knowing very well the activities and the information that are subject to examination, and the audit procedures, uses both general methods and adequate techniques, procedures and tools. In every country, there is a professional organization that issues regulations governing over auditors' activity and controlling their enforcement. 2. Auditing envisages the information systems meaning that various types of information should be considered, that is synthetic and analytical information, historical and forecasting information, internal and external information, quantitative-value type and exclusively value-type information standardized and non-standardized information etc. Yet we have to underline that the financial auditing is associated in a significant proportion to the external information that is generated by the financial accounting. To understand better the auditor's part in the information process, we have to consider, on the one hand, that it is not good to let the issuer control completely the transmitted message, "translating" economic facts and phenomena from one entity into a language that suit him and, on the other hand, the user (the message receptor) should not be let manage by himself in interpreting the information provided and in appreciating its accuracy. Against this background, the auditor is a factor of "counter-power" being neutral and independent from the two, acting according to a regulation set that does not give him too much freedom in expressing his opinion of the truthfulness of the information that is to be made available to users. 3. Auditor's opinion should be responsible and independent because he is bound by it. Depending on the nature of the auditing evidence, the auditor may reach to areasonable - not absolute - assurance that the significant errors have been detected. The auditor's competence has no value if he adopts a biased attitude in evidence collection and assessment. From the viewpoint of contents, an auditor's opinion may limit itself resume to a simple appreciation or statement or may be completed with some recommendations, depending on the nature of the mission or the received mandate. 4. The financial auditing must relate

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to quality criteria, such as: regularity, fairness and efficiency. Regularity means compliance with regulations, principles, standards, rules applicable to the specific case (compliance auditing). Fairness means the observance in good faith of regulations, principles and rules. Efficiency is appreciated at the extent to which the envisaged purposes or effects are achieved. 5. The enhancement of the information usefulness for the user, as the auditor contributes by his mission achieved to the enhancement of reliability of the supplied information. We can speak of an internal usefulness that regards the company management and of an external usefulness that regards the third parties. 6. auditing should take into account the laws and the practices of the country where the audited company is located. Although most countries harmonized their own audit regulations to the international standards, the particularities of the business environment in which the audited company operates cannot be neglected.

IV. PURPOSE AND CONTENTS OF THE FINANCIAL AUDITING

According to DSA/SAS1 the purpose of financial-report auditing by an independent auditor means expressing an opinion on the extent to which such financial reports present a true image of the financial status, of the operational results and of the treasury flows in compliance with the generally accepted accounting principles. Although the auditor is not

a guarantor that provides an absolute assurance regarding the correctness of the information presented in financial reports, he is bound to inform the users whether or not the financial reports are presented correctly (Arens, 2003:171). The stages to be run to define the objectives of the auditing are briefly presented inFigure- 1. The auditor is responsible for planning and performing the auditing so that he should obtain reasonable assurance regarding the presence or the absence of some significant errors in the financial reports, irrespective of the fact that such presentations are caused by errors or frauds. The phases of the auditing process are presented in Figure ñ 2.Figure - 1 Stages in definingthe objectives of auditing Source: Arens and, Loebbecke, 2003:171Practically, auditing means comparing the financial statements with certain pre-established criteria (the so-called assertions or estimations) in compliance with the generally accepted accounting principles. DSA/SAS 31 groups assertions into five general categories, that is: • Existence and occurrence assertions show that assets, liabilities and own capitals of the financial statements truly existed upon the date of their drafting. • Exhaustiveness assertions show the possibility of omitting some elements of the annual financial statements unlike the existence and occurrence assertions that aim to include sums that are not included in financial statements. • Evaluation assertions show that any asset, liability, equity capital, income and expense account was included in the financial statements with an adequate balance. • Assertions on rights and obligations show the rights and obligations of the entity at a given time. • Presentation and disclosure assertions show that the elements of the financial statements are correctly combined, described and disclosed.Source: Arens and, Loebbecke, 2003:183 Information in the pre-planning phase, obtaining the context information and the information regarding the legal obligations of the customers and the enforcement of the preliminary analytical procedures (phase 1) are used mainly to estimate the inherent risk and the acceptable auditing risk. The second phase control mechanism tests and the operation tests are essential to test the balance sheet details because they help the auditor to provide a safety margin for unforeseeable events, to revise the auditing program in case of some unforeseeable results and to conclude the audit as closer to the financial statement date as possible. In the third phase, additional samples should be obtained to determine if final balances and other information of financial statements are fairly presented. There are two general categories of procedures to obtain additional samples, that is: analytical procedures and tests of balance details. The analytical procedures are those by which the reasonable character of operations and balances generally is estimated, and the tests of balance details aim to check the existence of any monetary error in the final balances of the financial statements. Having run the first three phases, it is necessary to collect, in the last phase, certain additional samples, to synthesize results, to issue auditing reports and to conduct new communication forms. The auditing objectives related to these operations that an auditor pursues correspond to the managerial assertions and are linked to these. They are briefly presented in Table - 1. Table ñ 1: General objectives of the auditing regarding operations Management assertions General objectives of operation auditing Existence or occurrence 1. Existence - The recorded operations truly took place Exhaustiveness 2. Exhaustiveness - The operations that took place were truly recorded 3. Exactness - The operations are recorded with correct sums 4. Classification - The operations recorded in various journals are correctly classified 5. Chronology - Operations are recorded in accurate data journals Evaluation or allotting 6. Systematization -

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The recorded operations are correctly systematized and synthesizedRights and obligations None Presentation and disclosure None The auditing operations regarding the balances are similar to general auditing operations the distinction being that the first regard account balances (in most cases, the final balances of the balance sheet accounts). Using the objectives regarding balances as a reference framework, the auditor accumulates samples to confirm the detailed information that justify the balance of an account and does not check the very balance of accounts. The general auditing objectives regarding balances are present synthetically in theTable - 2. Table - 2 General objectives of auditing regarding balances Management assertions General objectives of auditing regarding balances Existence or occurrence 1. Existence - The sums included in financial statements exist. Exhaustiveness 2. Exhaustiveness - The existing sums are included in financial statements. 3. Exactness - The sums included are presented at the true value.4. Classification - The sums that appear in the customer's statements were correctly classified. 5. Temporal cutting - The operations made close to the financial year ending date are recorded in the appropriate financial year books. 6. Detail concordance - The details on the balance of an account correspond to the sums of the systematic books. Evaluation or allotment 7. Achievable value - Assets are shown at their estimated values to enable their trading (achievable value). Rights and obligations 8. Rights and obligations - Assets should be owned by the entity before being recorded in the entity's books. Presentation and disclosure 9. Presentation and disclosure - The balances of accounts and the additional information afferent to them are correctly presented in the financial statements. As you can see, the general auditing objectives related to balances are more numerous than the management assertions because of the auditor's need to have available more detailed recommendations for making decisions regarding the samples to collect.

V. POSSIBILITIES OF IMPROVING THE QUALITY OF THE FINANCIAL AUDITING BY USING INFORMATION OF THE MANAGEMENT ACCOUNTING

From what we have presented, it results that the financial auditing is supported mainly by the information coming from the financial accounting (the term of financial statement auditing is used). The exclusive use of the public information contained in financial statements is not sufficient for the auditor to formulate an opinion on their compliance with the generally accepted accounting principles.For a good auditing orientation and planning, to avoid useless works, the auditor should identity the relevant domains, the relevant systems, the auditing risks and to determine their importance. Although different from an entity to another, the significant domains are mainly: 1. Purchases - payments (suppliers, stocks, disposable funds, etc.). 2. Sales - receipts (customers, stocks, income, disposable funds, etc.). 3. Wages - personnel (payments, expenses, disposable funds, debts, etc). 4. Production (stocks, expenses, income, etc.). 5. Treasury (receipts, payments, income, expenses, etc.). 6. Fixed assets (depreciations, suppliers, expenses. etc.). 7. Funding (capital raising or payment). To illustrate the use of information of the management accounting in financial auditing, let us ponder on the production cycle auditing which is tightly connected to the other operational cycles. Therefore, raw materials, materials and direct labor enter the cycle purchases - payments,respectively wages - personnel, and the production cycle concludes with the sale of the assets by the cycle sales - receipts. Regularly, the stock auditing at the end of the financial year is the most complex and the longest part of an audit. The production cycle may be conceived as including two separated circuits that are tightly inter-connected, that is: the physical circuit of the stocks obtained and the circuit of the costs afferent to goods. Under these circumstances, there should be adequate control mechanisms both for the physical movement of stocks and for ancillary costs. The production cycle comprises six functions, such as: • Reception of purchase orders. • Reception of raw matter. • Storage of raw matter. • Manufacturing of goods. • Storage of finished products. • Delivery of finished products. The general objective of production cycle auditing is to appreciate if raw matter, materials, production being made, finished products and cost of sold goods are truly presented in financial statements. The production cycle auditing is divided into five distinct parts:1. Purchase and registration of raw matter, labor and administration - corresponding to the first three functions. 2. The internal transfer of assets and costs - corresponding to the 4th and 5thfunctions. 3. Product delivery, income and cost recording ñ corresponding to the last function. 4. Actual seeing the stocks ñ to check if the recorded stocks truly exist. 5. Stock evaluation and compiling - to determine if the stock evaluation method is true to the generally accepted accounting principles. Obtaining correct data on the costs of raw matter, direct labor and production administration is an essential component of cost accounting. To be considered adequate, the cost books should be integrated to the production books and to other books, so that the correct costs are generated for all products. The cost books are relevant for the auditor because the final stock

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evaluation depends on the proper drafting and use of such records. 6. CONCLUSION Starting from the fact that there is a potential conflict of interests between the ones who collect, process and synthesize accounting information and the users of this information, it is obvious that the financial audit must re-establish a reasonable confidence between the two categories. Regularly, users of accounting information lack trust in the information provided by the accounting office (external information) because the information producers are not independent from the performed operations and the presented financial statements, which casts doubt on the information objectivity and impartiality. Auditing defends equally all users of accounting information. When it comes to say one's mind on information of annual financial statements, it is natural that first public/external information should be analyzed. Yet, as some pieces of external information are tightly connected to the so-called confidential information provided by the accounting, the auditor should have access to this information as well to have a better picture of operations made. We may conclude that the use of management accounting information along with financial information is likely to contribute to the improvement of the financial auditing quality, providing a complete complex picture of the context in which financial information is analyzed. BIBLIOGRAPHY Arens, A. A., Loebbecke J.K. (2003), Audit. O abordare integrată, Ediţia a 8-a, Editura Arc, (traducere Leviţchi Rodica). Diaconu, Paul (2002), Contabilitate managerială, Editura Economică, Bucureşti.Florea, Ion, Florea Radu, Macovei Ionela-Corina, Berheci Maria (2005), Introducere Ón expertiza contabilă şi auditul financiar, Editura CECCAR, Bucureşti. Ionaşcu, Ion (2003), Dinamica doctrinelor contabilităţii contemporane, Editura Economică, Bucureşti. 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Although they are not among the ten generally accepted auditing standards, they are often called "auditing standards". Together, they make up reference publications and the Code of Professional Conduct of the members of the American Institute of Chartered Public Accountants (AICPA) auditing manager are highly specified and require precise talent, a bachelor’s degree and professional education in accounting are ideal. To hold a supervision position in auditing, an individual should have at least three years of experience to develop an in-depth understanding of auditing practice. Finally, an acute devotion to detail and a meticulous nature are preferred qualities of an auditing manager.Salary structure for an audit managerAn entry-level Auditing Manager with less than 5 years of experience can expect to earn an average total of around $70,000 every year. An Auditing Manager with mid-career experience which includes employees with 5 to 10 years of experience can expect to earn an average salary total of $80,000 yearly. An experienced Auditing Manager which includes employees with 10 to 20 years of experience can expect to earn an average salary of $92,000 annually. An Auditing Manager with late-career experience which includes employees with greater than 20 years of experience can expect to earn an average total salary of $94,000 annually.The job outlook for an audit managerAudit managers can work as an internal, external, or government auditor. In each of these capacities, they scrutinise and evaluate financial data to authenticate and validate accuracy and ensure generally accepted standards are followed. Those keen to build on their career ever so often become a Certified Public Accountant (CPA).What is the career path of an audit manager like?As an audit manager, one will have to help in the execution of audits for a range of customers. The job of an audit manager is to closely and keenly monitor the flow of the money, where it comes from, where it goes, how it is allocated, and just mention a few. The goal and main aim of an audit manager are to assure potential stakeholders, financiers and existing customers of the organisation that the balance sheet, cash flows, profit and loss statements of said organisation is standing and is financially healthy.An audit manager will have the chance to work with different people from different backgrounds the role of an audit manager can have a real impact on these people. As time goes on, the career path of an audit manager can lead one to a host of positions in a firm such as an executive or CEO in the corporate sector, or as an entrepreneur and even a consultant. This career path exposes one to a variation of businesses in an array of industries and offers almost unlimited chances for growth. Choosing to have a career in audit management will not only teach you

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technical skills but also help you develop your communication and teamwork skills that will set you apart.1. Purchase and registration of raw matter, labor and administration - corresponding to the first three functions. 2. The internal transfer of assets and costs - corresponding to the 4th and 5thfunctions. 3. Product delivery, income and cost recording ñ corresponding to the last function. 4. Actual seeing the stocks ñ to check if the recorded stocks truly exist. 5. Stock evaluation and compiling - to determine if the stock evaluation method is true to the generally accepted accounting principles. Obtaining correct data on the costs of raw matter, direct labor and production administration is an essential component of cost accounting. To be considered adequate, the cost books should be integrated to the production books and to other books, so that the correct costs are generated for all products. The cost books are relevant for the auditor because the final stock evaluatio depends on the proper drafting and use of such records. 6. CONCLUSION Starting from the fact that there is a potential conflict of interests between the ones who collect, process and synthesize accounting information and the users of this information, it is obvious that the financial audit must re-establish a reasonable confidence between the two categories. Regularly, users of accounting information lack trust in the information provided by the accounting office (external information) because the information producers are not independent from the performed operations and the presented financial statements, which casts doubt on the information objectivity and impartiality. Auditing defends equally all users of accounting information.

When it comes to say one's mind on information of annual financial statements, it is natural that first public/external information should be analyzed. Yet, as some pieces of external information are tightly connected to the so-called confidential information provided by the accounting, the auditor should have access to this information as well to have a better picture of operations made. We may conclude that the use of management accounting information along with financial information is likely to contribute to the improvement of the financial auditing quality, providing a complete complex picture of the context in which financial information is analyzed. BIBLIOGRAPHY Arens, A. A., Loebbecke J.K. (2003), Audit. O abordare integrată, Ediţia a 8-a, Editura Arc, (traducere Leviţchi Rodica). Diaconu, Paul (2002), Contabilitate managerială, Editura Economică, Bucureşti.reference framework, the auditor accumulates samples to confirm the detailed information that justify the balance of an account and does not check the very balance of accounts. The general auditing objectives regarding balances are present synthetically in theTable - 2. Table - 2 General objectives of auditing regarding balances Management assertions General objectives of auditing regarding balances Existence or occurrence 1. Existence - The sums included in financial statements exist. Exhaustiveness 2. Exhaustiveness - The existing sums are included in financial statements. 3. Exactness - The sums included are presented at the true value.4. Classification - The sums that appear in the customer's statements were correctly classified. 5. Temporal cutting - The operations made close to the financial year ending date are recorded in the appropriate financial year books. 6. Detail concordance - The details on the balance of an account correspond to the sums of the systematic books. Evaluation or allotment 7. Achievable value - Assets are shown at their estimated values to enable their trading (achievable value). Rights and obligations 8. Rights and obligations - Assets should be owned by the entity before being recorded in the entity's books. Presentation and disclosure 9. Presentation and disclosure - The balances of accounts and the additional information afferent to them are correctly presented in the financial statements. As you can see, the general auditing objectives related to balances are more numerous than the management assertions because of the auditor's need to have available more detailed recommendations for making decisions regarding the samples to collect.

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Auditing envisages the information systems meaning that various types of information should be considered, that is synthetic and analytical information, historical and forecasting information, internal and external information, quantitative-value type and exclusively value-type information standardized and non-standardized information etc. Yet we have to underline that the financial auditing is associated in a significant proportion to the external information that is generated by the financial accounting. To understand better the auditor's part in the information process, we have to consider, on the one hand, that it is not good to let the issuer control completely the transmitted message, "translating" economic facts and phenomena from one entity into a language that suit him and, on the other hand, the user (the message receptor) should not be let manage by himself in interpreting the information provided and in appreciating its accuracy. Against this background, the auditor is a factor of "counter-power" being neutral and independent from the two, acting according to a regulation set that does not give him too much freedom in expressing his opinion of the truthfulness of the information that is to be made available to users. 3. Auditor's opinion should be responsible and independent because he is bound by it. Depending on the nature of the auditing evidence, the auditor may reach to areasonable - not absolute - assurance that the significant errors have been detected. The auditor's competence has no value if he adopts a biased attitude in evidence collection and assessment. From the viewpoint of contents, an auditor's opinion may limit itself resume to a simple appreciation or statement or may be completed with some recommendations, depending on the nature of the mission or the received mandate. 4. The financial auditing must relate to quality criteria, such as: regularity, fairness and efficiency. Regularity means compliance with regulations, principles, standards, rules applicable to the specific case (compliance auditing). Fairness means the observance in good faith of regulations, principles and rules. Efficiency is appreciated at the extent to which the envisaged purposes or effects are achieved. 5. The enhancement of the information usefulness for the user, as the auditor contributes by his mission achieved to the enhancement of reliability of the supplied information. We can speak of an internal usefulness that regards the company management and of an external usefulness that regards the third parties. 6. auditing should take into account the laws and the practices of the country where the audited company is located. Although most countries harmonized their own audit regulations to the international standards, the particularities of the business environment in which the audited company operates cannot be neglected.

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