



“Auditing” the Auditors – Oversight: Necessity or Compulsoriness?

Associate Prof. Habil. Camelia-Daniela
HAȚEGAN, Ph. D.
East European Center for Research in Economics and
Business, West University of Timișoara,
e-mail: camelia.hategan@e-uvt.ro

Abstract

Through their activity, financial auditors contribute to the investors' decision making, so that providing quality services leads to the increase of the confidence in the profession of financial auditor. In order to guarantee quality services of the statutory audit missions oversight bodies were created, which have the legal mission to verify the activity of the financial auditor. The purpose of this paper is to make a comparison of how the oversight bodies in countries of the European Union are regulated, their attributions, as well as the stage of the statutory audit reform in Romania, based on Directive 2014/56 / EU. The establishment of the oversight bodies was carried out as a result of poor-quality audit services, the oversight being necessary, but this activity could be the attribution of the professional bodies, if they had a greater coercive power over the members. Most irregularities arise as a result of non-compliance with all ethical principles, which is a challenge for every professional accountant. The institutional harmonization process is still ongoing, and the credibility of the oversight bodies can be confirmed in the medium and long term by the efficiency of the inspection actions on the financial auditors and by improving the quality of the audited financial reports.

Key words: oversight body; audit reform; financial reporting; ethic; quality

JEL Classification: M40, M41

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