

PUBLIC INTERNAL AUDIT IN CORPORATE GOVERNANCE - LEGAL PROCESS SUPPORT ROLE

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Abstract: The role of public internal audit by supportive role for legislative matters, although it was only advisory, can be a decisive lever in making laws with significant impact on corporate governance. If the health system overall is viewed as a company, using the concept of corporate governance principles can bring health and raise standards of social responsibility and a long-term development. The principles underlying the concept of corporate governance (transparency in accessing information, risk control, protection funding, decision-making responsibility, etc..) Health system could bring overall benefits in the pursuit, its control and management.

Cuvinte cheie: audit public, guvernare corporativă

Rezumat: Rolul auditului public intern, prin rolul suportiv pentru probleme legislative, deși ar avea doar funcție consultativă, poate constitui o pârghie decisivă în procesul de elaborare legislativă cu repercusiuni semnificative în guvernarea corporativă. În cazul în care sistemul sanitar este privit în ansamblu ca o companie, folosirea principiilor conceptului de guvernare corporativă poate aduce ridicarea standardelor medicale și de responsabilitate socială precum și o dezvoltare pe termen lung. Aplicarea principiilor care stau la baza conceptului de guvernare corporativă (transparența accesării informațiilor, controlul riscului, protecția finanțării, responsabilitatea decizională, etc.) ar putea aduce în sistemul sanitar beneficii globale în desfășurarea activității, controlului și conducerii acestuia.

Corporate governance is a concept that emerged about two decades ago. The term "corporate governance", translation appoints all the rules and regulations that manage and control a company (3). Corporate governance gives companies to improve their institutional effectiveness using elements such as legal framework, articles of association and organization charts (www. encycogov.com, Mathiesen, 2002 quote 2). It is aimed to enhance corporate governance and company performance harmonized to the various interest groups. (3). Corporate governance can provide the distribution of rights and responsibilities between entities or groups participating in the activity, such as institutions, boards of directors, executives, shareholders which fix the procedural rules and responsibilities for decision (taken from the OECD in April 1999 Cadbury Code, 1992, p. 15 cited by 2). Therefore, it is understood that corporate governance means to set the rules that ensures companies lead and control the acts, customs and behavior patterns developed by each legal system (Preda Report, Italy, 1999 cited by 2). Outcome of corporate governance can be improved fairness, transparency and accountability at the company level (J. Wolfensohn, President of the World Bank, quoted by 2).

If the health system overall is viewed as a company, using the concept of corporate governance principles could make raising health standards and social responsibility and a long-term development. The principles underlying the concept of corporate governance (transparency in accessing information, risk control, protection funding, decision-making responsibility, etc..) Health system could bring overall benefits to the activity, its control and management. It should be noted at the outset but

it is necessary to establish different nature of the laws, systems and decision-making in private funding, that budget, but correlations between them.

Formation of the health system modeled on corporate governance is a difficult task. Its construction can be done on several pillars, of which do not miss the following: legislative (Parliament), executive (government), strategic management, finance and resources (academic society, ministries, insurance houses, agents, Public Health Department), health care providers (hospitals, outpatient specialty, etc..), business (investors, financiers, suppliers, insurers), community (colleges and professional associations, unions, patients), control systems and monitoring (internal control systems, public internal audit, external audit).

Corporate governance concept has been assimilated by the auditors as set out international standards and internal audit. Public internal audit has an important role in corporate governance through its monitoring function. (1). Public Internal Audit is an independent and objective functional activities, giving management advice to insurance and sound management of revenue and public expenditure, public entity perfecting activities. Also, public internal audit helps public entity to fulfill its objectives through a systematic and methodical approach, which assesses and improves the efficiency and effectiveness of management based on risk management and control and management processes (4).

Public internal audit departments may exercise the following types of action auditing: system performance and regular (4, 6). Through their work, auditors can make balance between the public entities and the current expectations based on risk quantification. Outside the executive, the public internal

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audit might have a supportive role in corporate governance. Public internal audit could help by supportive role in initiating legislative adjustment more efficient and effective legal system. Supportive role that maintains missions should be conducted in accordance with the provisions of the code of ethics of the internal auditor relating to political neutrality, independence, objectivity and neutrality (5). Supportive role can be achieved through the exercise of such formalized advisory missions, informal or excellent (7). Analysis at higher level, data from audit reports, the preliminary design phase of the legislative framework of a given area could help to deepen knowledge of system activity at basal or entity providing considerable support legislature. Quality of information available to auditors' independence is guaranteed by the legislature declared and made the missions. As a result, the independence of auditors can provide greater confidence in data confidentiality and professionalism of audit reports and exercising such supportive role in initiating legislative process.

Audit data collection with supportive role in a particular legislative issue may also be made through existing reports of retrospective studies and prospective thematic actions. If thematic missions prospective dealing with the audit would be conducted concurrently in several centers, the model study double-blind, multicenter study. Thus, extending the principles of clinical research auditing activity will make no auditor or the auditee does not know the ultimate goal of the mission established by the initiator of legislation, thus contributing to the neutrality of the action, while increasing the degree of trust, transparency, objectivity and accuracy of the information received. The ultimate goal will be met only by legislative initiator. Therefore, the tasks of auditing the system prospective double-blind, multicenter controlled or even canceled the risk of loss of independence of auditors and their involvement can not be incriminated in the development and implementation of internal control systems of public entities. In addition, the ability to formulate legislative decision is not final public internal auditor, but legislators upper auditor's role is merely executive, advisory and supportive. At higher level, based on information received from the auditors will be able to hammer out common elements of entities with similar, but private valuation. Subsequently, the introduction of significant elements in a correct legal form would give more stability to the new law, with a lower risk of several amendments and updates.

Activity incur legal problems could be introduced into public internal audit plan of internal auditors in corporate governance. Legislative support for emergencies internal auditors can come by such ad hoc actions, which will replace the next scheduled activity and contained the internal public audit plan year. Once triggered, supportive mission will be conducted based on procedures already standardized and public internal audit practices that bring rigorous auditing ordinary shares. Therefore, most audit steps will be followed. In the first stage - Preparation Mission - will be able to initiate action, gathering and processing information in the services, departments or departments that will benefit from the new law. Risk analysis in the auditory system could reduce the risk of new or changing employment legislation. Development program and the minute opening action will switch to the second phase of the mission - to intervene on the spot. At this stage, collecting evidence, finding and reporting irregularities should be focused on the legal impediments and difficulties in working procedures within the public entity. After reviewing the working papers and closing minute of the action will be switched to the third stage - the public internal audit report. At this stage the draft report preparation and reconciliation meeting would achieve another goal, to obtain evidence and a coherent flow, dynamic processes

and conceptual work of future regulations. Action will be completed by disseminating public internal audit report, which will include conclusions and recommendations. The last stage of normal audits - follow-up will lose function in the action with supportive role for legislative matters.

The missions will be borne by the auditing facility legislators work in the corporate governance system. Identifying risk in the existing legal system difficulties, inconsistencies and problems that lead to difficult operation entities will be made directly to the system. Auditors by neutral and balanced type activity will prepare the final report which will be the focus of the mission and work experience of working in that system and will result in recommendations for possible future legal repercussions. In missions with supportive role, the auditor will be an intermediary role between persons engaged in gainful various departments, divisions, departments and public entities legislative developers, the ultimate goal being to provide a coherent legislative corporate governance, pragmatic, transparent and efficient. IT Audit software can be expressed by, the effect of magnifying glass "element is meant to highlight problems in a system and provide them with superior decision-making structures.

In conclusion, the role of public internal audit by supportive role for legislative matters though would have only advisory may be a crucial lever in making laws with significant impact on corporate governance.

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