

QUALITATIVE ANALYSIS ON THE INTERFERENCE AND CAUSALITY BETWEEN ACCOUNTING AND AUDITING FOR ROMANIAN COMPANIES „TOP TRADED” LISTED AT THE BUCHAREST STOCK EXCHANGE

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Abstract

The instability generated by legislative changes, price volatility, difficulties in obtaining and maintaining financial stability are realities that characterize the current economic situation, and the first indications of significant uncertainties regarding the continuity of an entity's activity can be obtained from the financial statements and the audit report, consequently, it becomes essential to assume the responsibilities that administrators and financial auditors have in assessing the adequacy of the going concern principle. The objective of the research is the analysis of how the auditor, by belonging to the Big 4 or Non-Big 4 category, the audit opinion, the number of key audit aspects included in the audit report, confirms the positive or negative implications on the principle of business continuity. The research methodology involved qualitative analysis by manually extracting data from the audit reports issued for the period 2018-2022, for a sample that includes 45 companies "top traded" from Romania listed on the Bucharest Stock Exchange (BSE). Following the analysis, it was found that the assumption of continuity of activity in the preparation of the individual annual financial statements, assumed by the management of the company, is adequate in 78% of the cases for the studied sample.

Keywords

Going concern principle, audit opinion, key audit issues, auditor

JEL Classification

M41, M42

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