

ENHANCING SUSTAINABLE DEVELOPMENT IN THE TIMBER INDUSTRY THROUGH CORPORATE GOVERNANCE AND INTERNAL AUDIT PRACTICES

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Abstract

The purpose of the article is evaluative in nature; it is intended to be an analysis of the impact of the measures taken in the supply of raw materials following the assessment of the main risks, as well as an analysis of the appropriate control mechanisms. The analysis we propose also aims to highlight the role of audit reports in the effective management of risks in the timber industry. These are important for some relevant areas and directions: risk identification and assessment, compliance and governance, supply chain integrity, environmental impact and sustainability, financial and operational risks, stakeholder confidence and reputation management, continuous improvement. The importance of internal audit and corporate governance for a sustainable approach to business is stressed. In this respect we have identified and analysed the risks affecting the supply chain and the measures to improve the procurement process, we have analysed the reports presented to the public with the caveat that we wanted to use a realistic rather than an optimistic approach. Observation, used to identify the essential elements of the internal audit reports, combined with the study of the legislation specific to the timber industry as well as the literature review for the theoretical foundation formed the basis for the elaboration of the work research. Audit reports play an important role in managing risks specific to the timber industry. They foster transparency, ensure regulatory compliance, improve sustainability practices, and protect against financial, operational, and reputational risks. This analysis enables timber companies to implement proactive risk management strategies, improving the industry's long-term viability and sustainability.

Keywords

corporate governance, internal audit, risk, timber industry.

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