INTERNAL AUDIT – A KEY ELEMENT OF CORPORATE GOVERNANCE IN CREDIT INSTITUTIONS

Ciprian Mihăilescu[1]
Corina Ducu[2]

ABSTRACT: The world has always been in constant change and evolution, but the rate at which changes and the evolution of humanity take place has dramatically increased over the past 70 years. Corporate governance and internal audit profession were no exception, both evolving with great speed. All changes on the global financial markets in the last 10-15 years and the multiple crises that the global economy went through during this period produced multiple mutations both in the internal audit activity and the role that this activity and the audit committees have in corporate governance. There are several aspects that will significantly mark internal audit in the 21st century, and the organizations that will take account of these issues will have an internal audit service that will truly bring them added value.

Key words: internal audit, corporate governance, risk management, credit institutions.

JEL Code: M4

Corporate governance – history and principles

The term of "corporate governance" has Anglo-Saxon origins, being mentioned by the Internal Auditing International Standards. Its meaning is management of the organization or unit. Therefore we can define corporate governance as "overall management of the entire organization by accepting all internal components that work together, which eventually will be integrated in management". This concept can add the need to implement risk management within the entity and in the internal control system and the most important internal audit. The connotations of the concept of corporate governance include: ethical principles, social responsibility, control activities and good business practice.

The concept of corporate governance has entered specialized literature relatively recently, namely in the last twenty years. Sir Adrian Cadbury Thus, the one who defined corporate governance as "the system by which companies are guided and controlled" (Cadbury Report, 1992), can be considered one of the pioneers of the concept of corporate governance. He elaborated the famous report in 1992 that has his name (Cadbury Report), as a consequence of the research conducted on the causes of corporate bankruptcies during the crisis of the late '80s. The report's conclusions revealed that the serious problems regarding organization and operation of internal control represent the major causes of corporate bankruptcies. Thus, we emphasize that the major deficiencies were on top of the economic entities, their management not being able to avoid failures, and, in some cases, even contributed to their emergence. Later on, other reports have also been published on the same issue (Hampel-1998 and Turbull-2001), which has strengthened the Cadbury's conclusions.

It can be said that corporate governance refers to the distribution of rights and obligations between different categories of participants in the company activity, namely: the board of managers, the executives, the shareholders and other stakeholders, noting how decisions are made, strategies and strategic objectives are established, means are met, as well as the financial monitoring system.

[1] ″1 Decembrie 1918″ University Alba Iulia, Romania, *e-mail: ciprian.mihailescu@yahoo.com*
[2] ″1 Decembrie 1918″ University Alba Iulia, Romania, *e-mail: corina_ducu@yahoo.com*

The lack of a single model of corporate governance at global level, has determined OECD to identify a set of principles of corporate governance and publish them in the document entitled "OECD - Principles of Corporate Governance 2004". These principles do not impose restrictions and do not take into account a thorough implementation in the national legislation. Their main goal is to deliver a reference system, following the identification of goals and the means of achieving them. They have an evolutionary character, being examined and revised according to the evolution of global business. Thus, companies must continuously improve their corporate governance policies, adapting them to the changes that continuously occur due to the innovation process.

OECD Principles (Abram V, 2003) are divided into six sections, as follows:

1. *Providing a basis for corporate governance framework* taking into account the promotion of some principles of transparency and efficiency of markets, which should be in harmony with the legislation and clearly formulate the separation of responsibilities between supervisors, authorities of normalization and implementation;

2. *Shareholders' rights and the key functions of ownership* pursuing protection and guarantee of shareholders' rights;

3. *Shareholders' fair treatment*, ensuring a fair and adequate treatment within corporate governance, including for foreigners and minority shareholders, stipulating the need to reward all shareholders if their rights are violated;

4. *Shareholders' role* in corporate governance is seen as a means of creating value and jobs through cooperation between shareholders and companies, corporate governance recognizing the shareholders' rights, stipulated by law;

5. *Accurate and timely reporting and transparency* should be provided in corporate governance in order to obtain a clear image of the organization in terms of performance, capital, financial position and its governance;

6. *Responsibilities of the board of administration* must be clearly defined in corporate governance to ensure effective strategic guidance to entities and to allow effective monitoring of executive management by the board of administration, by assuming its responsibilities.

Corporate governance principles set forth by OECD were initially meant to apply the concept of corporate governance in joint stock companies in order to efficiently manage companies, but this concept was later extended to other types of organizations, being taken by most developed or developing countries. We must observe that the emphasis is on the shareholders' role and rights, on the information transparency and on the crucial importance of company managers.

OECD principles are universally recognized, representing one of the 12 basic standards of a solid financial system. They serve as a reference framework for achieving a large number of national codes on corporate governance (White Chart of corporate management in South Eastern Europe, the Stability Pact, and Agreement of South Eastern Europe for reforms, investments, integrity and economic growth).

The central element of OECD principles is the transparency of all financial-accounting information, as they are the basis of the decisions made by the information users. The quality of this information plays an important role in the efficient administration of entities, leading ultimately to the increase of their market value.

If, at European level, Great Britain can be considered a pioneer in the implementation and, subsequently, the development of corporate governance, in the U.S., the Sarbanes-Oaxley Act, appeared in 2002, is considered the cornerstone in establishing standards regarding the regulation of registered companies (KH Spencer Pickett, 2006) at global level. The need for this law, which - in case of non-compliance - imposes fines of millions of dollars, return of bonuses and serious penalties (up to 25 years in prison), was due to the huge financial scandals that shook the U.S. in 2001-2002 and led to the collapse of some financial giants such as Enron in 2001 and WorldCom in 2002.

Although it uses the same principle: "comply or explain yourself", just like Great Britain, the Sarbanes-Oaxley Act focuses on individual and corporate responsibility as compared to corporate financial results, but also to the membership of the Audit Committee. The imperatives of this act against the listed companies include several provisions regarding the managers' independence, governance and audit committees, compensation and remuneration, and codes of business conduct.

Like the Combined Code, the American model of corporate governance requires the existence of an audit committee composed only of non-executive independent managers who act as a detector of problems that can occur within the organization. Section 302 also stipulates that managers must certify the financial statements and the information given to external auditors, as complex, accurate and have responsibility for maintaining and evaluating internal control (Institute of Internal Auditors in the UK and Ireland, 2002).

Sarbanes-Oaxley Act is presently used by a growing number of jurisdictions and corporations, as it is more complex, closer to the legislative framework and concentrated more on internal control, as compared to the other governance models used worldwide.

The importance of internal audit

The financial and banking system as we know at this point is based on trust rather than on any other argument. The lack of trust between those partners who operate in the banking system leads to uncertainty, fear, with negative consequences on the activity system as a whole. The present global financial crisis is primarily the result of lack of trust between the players in the banking system and lack of transparency. The lack of transparency and mistrust were generated by the deficient corporate governance policies and procedures that did not regard a prudent management of risks, a judicious administration of the assets, and concentration on medium and long term objectives of banking institutions, which preferred large and immediate profits, accompanied by huge risks at the expense of some prudent policies. Poor corporate governance can lead to major failures, with adverse consequences for the banking system, due to the impact of deposits insurance system, payment system and especially the contamination risk.

Corporate governance within credit institutions can be defined, according to BIS (Basel Committee on Banking Supervision, Enhancing Corporate Governance for Banking Organizations, 2006), as "the manner in which bank businesses and relationships are governed by the board of administration and management, which involves the way they set goals, make daily business, fulfill their obligations and responsibilities to shareholders and other interest owners, while the bank activities and behavior are aligned with the operating expectations in a safe and healthy way, in accordance with the laws and regulations, and protect the interests of depositors".

A very important aspect of corporate governance of any banking institution consists in the existence of the following forms of supervision: supervision provided by the board of managers or the board of supervisors, supervision provided by non-executive members, supervision made directly to the activity departments of the bank, the existence of some independent audit functions, compliance and risk management.

Analyzing the concept of corporate governance and the principles outlined in the previous chapter, we conclude that the basis of corporate governance is the independence of the board of managers as compared to the executive management.

Ensuring this independence is one of the most important responsibilities of internal audit within credit institutions. To this end internal auditors evaluate the effectiveness of governance structure of the bank, the independence of the internal audit function, the organization's ethical values, and performance management of the credit institution.

In this way, internal auditors help to promote an ethical culture within the credit institution. Taking into consideration the information presented before, we conclude that the bank internal audit is the main goal to contribute to the banking objectives in order to improve their activity.

Corporate governance within credit institutions is based on a set of principles that should be applied regardless of the bank ownership: state or private. These principles were formulated by the International Regulation Bank, as follows:

Principle 1: Board members must possess the necessary professional qualification for the occupied position to fully understand their role in governance and have the ability to exercise common sense on the bank business.

Principle 2: The Board of Managers must approve and oversee the banking strategic objectives and ensure that its corporate values are disseminated within the organization.

Principle 3: The Board must establish clear areas of responsibility within the bank.

Principle 4: The Board should ensure that management exercise appropriate supervision by board policies.

Principle 5: The Board of Managers and management should effectively utilize the results of the activities of the internal and external auditors as well as of the internal controllers.

Principle 6: The Board should ensure that remuneration policies are consistent with the bank corporate culture, the objectives and its strategy on a long-term and the control environment.

Principle 7: The bank should be governed in a transparent manner.

Principle 8: The Board of Managers and management should understand the bank operational structure, including in various situations in which it operates under jurisdictions or structures that restrict transparency.

In recent years, global discussions on corporate governance have been intensified in general and the number of supervisors and audit committees has grown in particular, because over time, the audit committees have received more and more responsibilities, including the direct or indirect supervision of all processes and internal audit functions.

In the U.S., the audit committee has become a necessary component of corporate governance system of large financial institutions. Sarbanes Oaxley is very clear in this respect, stipulating the mandatory existence within the organizations listed on the NYSE (the American Stock Exchange) and of those under the supervision of the FDIC (the U.S. equivalent of the Deposit Guarantee Fund), and an audit committee composed of independent non-executive managers. In the EU and the UK, the Combined Code does not require an audit committee, but only recommends its existence. Although Winter Group has taken important steps in terms of the role of internal audit in corporate governance, it did not detail on the provisions of internal audit and did not support the idea of a unitary corporate governance in the EU. However, all major European financial groups have audit committees in their corporate governance structure.

The size of the audit committee varies from a credit institution to another depending on more factors. A study that analyzed the composition of the Audit Committee of 25 large European banks in 2008 (David Ladipo, Stilpon Nestor, 2009) reveals that the number of the audit committee members fluctuates between 3 (UBS Raiffesien, Dexia) and 9 (Erste Bank).

The audit committee and the internal auditors should be seen as an extension of risk management procedures issued by the board of managers. Traditionally, internal auditors carried out an independent assessment of the level of compliance with the internal control procedures, accounting practices and systems within the bank. Still, the latest trends in the internal audit activity describe its role as being one to provide assurance regarding risk management processes, control systems, and not least the bank’s corporate governance. This can be achieved only by understanding and analysis of the key indicators that govern each business line of the credit institution. Although the audit committees play a valuable role in assisting executive management in identifying and managing the business risk areas, the primary responsibility in risk management cannot be transferred to them, rather being integrated at all management levels.

The objectives of the audit committee include: helping management identify and manage risks, providing an independent assessment of control systems and risk management, evaluating the efficiency, the effectiveness and the costs of operations, assessing the compliance with laws,

procedures, regulations and other operating instructions, evaluating credibility of the information provided by the accounting and computerized systems, providing investigations to superior management.

Currently, internal audit operates on two levels. First, internal auditors provide an objective and independent assessment regarding the structure of corporate governance (if it meets the needs of the respective entity), as well as regarding the effectiveness of the operations specific for governance activities. Second, internal auditors act as a catalyst for change, providing recommendations or suggestions in order to strengthen corporate governance practices and structure of financial institutions.

In an organization, superior management and the board of managers establish and monitor large systems in order to achieve effective corporate governance. Internal auditors can support and improve these activities. Moreover, although internal auditors must remain independent, they could involve themselves in setting corporate governance mechanisms. Thus, providing assurance on risk management, control systems and corporate governance processes of the organization, internal auditors become a key element of effective corporate governance. The effective corporate governance attributes are: relevant and reliable public reporting, to avoid the excessive concentration of power on top of the organization, a strong and independent board of managers, and the existence of effective risk control and assessment systems, strong internal and external audit processes.

The way internal audit work in the corporate governance of financial institutions varies according to the maturity degree of the corporate governance structure and processes of each entity separately. Thus, in an organization with a low maturity degree of governance structure and processes, the internal audit will focus more on providing advice on best practices and corporate governance structures, while making an analysis of how the existing governance structures and processes meet the requirements requested by supervisors and other regulators. In terms of financial institutions which have mature governance structures and processes, the internal audit regards the main areas of action: it evaluates if the different components of corporate governance function together well, it analyzes the transparency degree of the reports made between different parts of the governance structure, it makes a comparison of best practices of governance, and it sets out how the codes of governance are recognized and enforced.

At this point, the internal audit is involved in all corporate governance processes, just like the audit committees in the past were focused more on analyzing the financial statements of risk and control. Today we are the witnesses of a process of rebranding the internal audit process in which the internal auditor gains increasingly more recognition from the stakeholders. At this moment it is not enough for the credit institutions, and companies in genera, to declare that they organized the internal audit activity, as stakeholders will seek confirmation that the internal audit is conducted on a truly professional framework regarding the role of consultant, insurance advisor and provider.

Internal audit – an essential element of corporate governance in credit institutions

Due to its unique position they enjoy within the company in general, and the credit institutions in particular, internal auditors spend more time to understand the culture, the systems, the industry, the business associated with the risks of the operations of these entities. Thus, they will be perceived as the most able persons to provide valuable advice to the board of managers and to executive management. Internal auditors become part of the company's management, and they are forced to act as business partners and not be perceived as those that are guilty or deal only with the identification of mistakes.

The nature of internal audit is another element that will define the future of this profession within the organization, in general, and of the credit institutions, in particular. Stakeholders have started to realize the importance of internal audit in corporate governance. More and more

stakeholders rely on the internal auditors' work; the improvement of the coordination of internal audit with the external audit will lead to an increase in this trend.

Risk management is a domain where the internal audit role has changed and is still changing. The global financial crisis that led to the collapse of some credit institutions famous on the financial market showed more than ever the need for change in terms of risk management and internal audit and the role that the audit committees must hold in this activity. Although, like any change, there is opposition, it is obvious that we need new approaches to risk management in terms of internal audit. Thus, internal audit will have an increasingly important role in risk management. The credit institutions must take into account that the head of the internal audit department must get involved in strategic risk issues. Consequently, we can ensure the efforts of alignment of internal audit activity to risk strategy adopted by the credit institution. This involvement of the head of the internal audit department regarding risk management issues does not diminish the primary role that executive management has in implementing risk management strategies. The result of this approach will be that, when the executive management and the audit committee review risk management activities, they will be eligible for assistance and recommendations to strengthen its internal audit from the internal audit.

Focusing on the evaluation of risk management systems and the identification of key risks, internal audit helps the organization to know the key risks it must face and to ensure that there are existing mechanisms to manage those risks when they occur. Thus, internal audit will have a rational approach in selecting the risk areas that it reviews each year, thus being able to provide an overall assessment of the organization's risk management systems and internal control of the entity. This general opinion is requested more and more by the head of the internal audit department due to increasing external pressures to publish control systems and risk management in the existing risk credit institutions. Yet, internal auditors should take into account that their role does not completely eliminate risks, but keeps them at an acceptable level for the organization when the costs of benefits do not surpass the benefits that could be achieved through the control activity. Also, internal auditors should understand how great are the risks that the credit institution wishes to take and which are the areas of action of these risks. Another important task of internal audit is to evaluate the capacity of the credit institution to cope with those risks that have been identified and, although they were identified, underestimated the impact on the organization or the probability that those risks affect the credit institution.

Corporate social responsibility is an element that derives from the attention and the respect that we need to pay to our environment. Internal auditors play a vital role in understanding the risks arising from corporate social responsibility. Companies need to respect the environment in which they operate, to respect the social, to pay for the economic obligations, and, at the same time, to become competitive. Internal auditors should update the global standards and initiatives related to the corporate social responsibility, since they measure the level of corporate social responsibility.

The internal auditors' need to have multidimensional knowledge vitally adds value to the organization. In the era of rapid technological advances, changes in the business environment and globalization, the internal auditors' ownership of knowledge in various fields is a mandatory feature of their professional capacity. Thus, in the financial services industry, and, especially, in the banking industry, the internal auditors must have various Banking Audit Certificate and Financial Services Diploma that will enhance their credibility in these areas.

New trends and perspectives regarding the role of internal audit in corporate governance

Corporate governance in credit institutions must be reinvented. Corporate governance bodies of these economic entities must become smaller in terms of number of members in order to be more professional and aim to ensure long-term solvency of the financial institutions they govern. Therefore, it is necessary to reduce the number of members that make up corporate governance bodies, accepting a maximum of 9-12 members. It was noted that banks that have larger bodies than

the average corporate governance system, they are the least efficient among the largest 25 European banks (David Ladipo, Stilpon Nestor, 2009). Another direction of action meant to increase the efficiency of corporate governance in credit institutions is the need for expertise in the financial industry for a significant part of corporate governance bodies and especially the board president. Recent studies highlight the fact that in 2010 only 64% of the presidents in the 25 largest European banks have any financial experience, compared with 80% in 2007.

Non-executive managers who form the corporate governance bodies should be involved as little engagements as possible, compared with other sectors of the economy. In Europe, many members of various boards of managers and audit committees in top banks admit that they do not allocate enough time for the tasks they must perform within those bodies. Banks should also remunerate non-executive managers better than they do it in the present, especially if they require more time to devote to their activity. The best banks offer the best salaries to their non-executive managers. But at this point one may find an upside-down relationship between the responsibilities of non-executive managers and the remuneration they receive, meaning that they get less money for some increased attributions.

Another burning question is about the performance based on remuneration of the managers responsible with long-term solvency of credit institutions. Some analysts believe that it is necessary to link the remuneration of these non-executive managers with the achievement of long-term objectives regarding the solvency of financial institutions, as this measure would further empower the members of corporate management. Other commentators believe that such an approach is not appropriate for non-executive managers whose basic responsibilities are to ensure long-term solvency of the credit institutions they manage.

In our opinion, the remuneration should be designed based on two components: the cash that should not be tied to bank performance, because of the lack of correlation between the cash bonus received by non-executive managers and the solvency of the financial entities limits the excessive risk exposure, because there is no temptation to obtain higher cash income depending on the reported figures, even if it means lower returns for shareholders and another component based on stock-options granting for non-executive managers. The latter should be the dominant part of the salary and bonus package, and represents an additional argument for managers to be more cautious and to fulfill their duties more consciously. If the personal financial situation of non-executive managers is linked to the credit institution they serve, they have a greater responsibility as they have a high interest in doing things well and benefit from the good results obtained by the company.

At the same time, one must bring into question the role of non-executive managers who form the remuneration committees regarding the bonus policy to management and the board of directors. Non-executive managers can help mitigate the influence that shareholders exert over CEO's to obtain short-term results, including the reduction of the pressure to take excessive risks because the CEO's bonus package is currently influenced by the shareholders and it reflects their desire for risk. Regulators worldwide are striving to limit this pressure exerted against the executives and the board members. Thus, in the U.S., the Dodd-Frank Act obliges U.S. corporations to provide the necessary funds for the remuneration committee to assure its independence, and also its control on the bonus policies of the credit institutions. In September 2010, the G20 has released the standards regarding the compensation packages offered for top managers and board members, suggesting that - within the credit institutions - remuneration committees should establish the wage policies of that organization. The recommendations issued both by the U.S. Federal Reserve and by the Basel Committee on Banking Supervision suggest that the wage policies in the credit institution must be established by the remuneration committee. The purpose of such measures is to ensure that bankers no longer take excessive risks, generating losses for creditors and taxpayers. Another objective is to offer a link between the payment of salaries and bonuses or any losses incurred by the credit institution. In this sense, more and more CEO's are have to accept the compensation packages with a component formed mainly of shares or stock options instead of cash.

Another measure designed to streamline corporate governance of credit institutions consists of a stronger accountability of non-executive managers who are members of corporate governance bodies. This responsibility should not be left to shareholders, but it must be imposed by regulatory and supervisory authorities. Thus, things would be different if there is a legal mechanism - even if limited - to make managers responsible for the failure of the credit institutions they manage. In this way they could be held responsible if it turns out that they did not properly fulfill their obligations to the corporation they serve. As Lord Turner noted (Jeffrey Ridley, John Wiley & Sons, 2007), member of the FSA (supervisory and regulatory body of the UK financial system), the inquiry conducted as a result of the nationalization of RBS Bank by the UK government, the FSA has no power to take action against RBS managers who have not fulfilled their obligations according to law.

All measures and proposals to increase the effectiveness and to rethink the aforementioned corporate governance are closely linked to the strengthening and enhancing of the role that internal audit and audit committees play within the governance. The audit committee is one of the key corporate governance bodies of the credit institutions. Being elected by the shareholders of the organization, the audit committee is the supreme entity before which the internal audit department is responsible. Therefore, between the two entities must be a relationship that includes both functions and supervisory reporting. Also, the audit committee and the internal audit department should be able to have unlimited access to each other. The internal audit committee is largely dependent on the functioning of the internal audit, in terms of assessment of risk, management and internal control system.

Therefore, in order to reach the objectives set by the corporate governance, the audit committee members, namely the non-executive managers should receive quality information in real time from the internal audit department. In other words, the implementation of some measures meant to increase efficiency and effectiveness of corporate governance in financial institutions, as we have shown in the previous lines, largely contributes to the professionalism and the competence of the internal audit department.

Strengthening the internal audit activity is a complex and continuous process due to its vital role that this activity holds within companies. To increase the quality of the results of internal audit one should pay an increased attention to assess the nature, extension, quality of control processes and procedures of the credit institutions. It requires that the internal audit department to be composed of highly qualified personnel, experience, able to identify problems and act appropriately.

In all complex organizations such as those in the financial and banking industry, internal auditors cannot act as generalists. They must possess knowledge and expertise, depending on the risks that threaten the entity they belong. Internal auditors should also prove a highly moral attitude and verticality to face the pressure from managers and various business lines of credit institutions. Those who step back and give way to these pressures, weaken the corporate governance of the respective organization.

It is very important to discuss with executive managers about all the detected problems, and regular information reports must be provided to the audit committee. These issues must be also brought in the auditors' attention and discussed with them.

But the most important aspect of a truly valuable internal audit activity for corporate governance of the credit institutions is that internal auditors should always make sure that their proposals and recommendations are completely implemented on time. Any deficiencies that are discovered and are not solved in time or properly represent a huge threat to the control activity and especially to corporate governance.

References

1. Anson M., 2003. Corporate Governance Ratings: Come of Age, Amsterdam, IGGN Conference
2. Avram V., 2003. Management of the value creation process in the context of enterprise governance, Bucharest, Economic Publishing House;
3. Basel Committee on Banking Supervision; 1998 . Enhancing bank transparency, http://www.bis.org, 21.09.2011
4. Basel Committee on Banking Supervision; 2006. Enhancing corporate governance for banking organizations, http://www.bis.org/bcbs/, 22.09.2011
5. Baker H. K., Anderson R., 2010. Corporate governance - A synthesis of theory, research and practice, Hoboken, New Jersey John Wiley and Sons Inc
6. Buzatu L., 2004. The capital market in Romania, identifying new ways and opportunities of developing and diversifying it, Doctoral thesis, scientific coordinator PhD Prof. Alexandru Puiu, Bucharest, ASE
7. Cadbury Report, 1992. Report of the Committee on the Financial Aspects of Corporate Governance, http://www.ecgi.org, 1.10.2011
8. Dobroteanu C.L, Dobroteanu L., 2007. Internal audit, Bucharest, InfoMega Publishing House
9. Dochia A., 2001. Report on corporate governance in Romania, presented within the OECD conference in Bucharest, http://www.oecd.org, 12.09.2011
10. Greuning van Hennie, Bratanovic Brajovic S., 2009. Analyzing banking risk - A framework for assessing corporate governance and risk management, DC, USA World Bank, Washington
11. Gup E. Benton, 2007. Corporate governance in banking - A global perspective, United Kingdom, Elgar Publishing Ltd.
14. Iosivan O.R., 2010. Auditing in Europe – Evolution and trends, Revista Economică, no.6(53), vol.II, pp.44-51
15. Ivan O.R., 2009. European Standardization of Audit, Annals of the University of Petrosani, Economics, Volume 9, Issue 4, pp.5-14
16. Pickett K.H. Spencer, 2006. The Internal Audit Handbook, Second Edition, River Street, Hoboken John Wiley & Sons, III
17. Nestor Stilpon, Ladipo David, 2009. Bank boards and the financial crisis - A corporate governance study of the 25 largest European banks, London, Nestor Advisors Ltd.
18. Nestor Stilpon, 2001. International Efforts to Improve corporate governance: Why and How? OECD, http://www.oecd.org, 15.09.2011
19. Ridley J., 2007. Cutting Edge Internal Auditing, Washinton, DC., John Wiley & Sons Ltd.
20. Soltani Bahram, 2007. Auditing-An international approach, Edinburgh, Pearson Education Limited
21. Smith J., 2003. Audit Committees Combined Code Guidance, http://www.kpmg.co.uk, 1.09.2011
22. Standard & Poor's, Corporate Governance Scores-Criteria, Methodology and Definitions, http://www.kantakji.com, 5.09.2011
23. Cartea Alba a administrarii corporatiilor in sud-estul Europei, Pactul de stabilitate, Acordul Europei de Sud-Est pentru reforma, investitii, integritate si crestere economica, http://www.oecd.org, 15.09.2011
24. Institutul Auditorilor Interni din Marea Britanie si Irland; 2002, Corporate governance and risk management, Second edition, http://www.iia.org.uk, 5.09.2011
25. The Value Agenda; 2002, Deloitte & Touche and IIA-UK & Ireland, London, www.**deloitte**.com, 14.09.2011
26. www.ccir.ro; 20.09.2011
27. http://www.fsa.gov.uk/pubs/ukla/lr_comcode2003.pdf, 15.09.2011