



**ACADEMY OF ECONOMIC STUDIES OF MOLDOVA**

Manuscript  
**C.Z.U.: 657.6(478)(043)**

**RENCHECI DIANA**

**NEW DIRECTIONS ON AUDIT QUALITY AND OVERSIGHT**

**Scientific speciality: 522.02 - ACCOUNTING; AUDIT; ECONOMIC ANALYSIS**

Summary of the PhD thesis in economics

**CHIȘINĂU, 2023**

The thesis was developed within the department "Accounting, Audit and Economic Analysis" of the Academy of Economic Studies of Moldova

**Scientific supervisor:**

**MANOLI Mihail**, PhD in economic sciences, Associate Professor, Academy of Economic Studies of Moldova, Republic of Moldova.

**Composition of the Commission for the public defence of the doctoral thesis:**

1. **President- GRIGOROI Lilia**, PhD in economic sciences, Associate Professor, Academy of Economic Studies of Moldova ;
2. **Scientific supervisor - MANOLI Mihail**, PhD in economic sciences, Associate Professor, Academy of Economic Studies of Moldova;
3. **Official reviewer - IACHIMOVSKI Anatolie**, PhD in economic sciences, Associate Professor, Academy of Economic Studies of Moldova;
4. **Official reviewer - DOLGHI Cristina**, PhD in economic sciences, University Professor, State University of Moldova;
5. **Official reviewer - HLACIUC Elena**, Habilitated Doctor, "Stefan cel Mare" University, Rumania.

The defense will take place on 27.10.2023, at 14.00, in the meeting of the **Commission for the public defense of the doctoral thesis** within the Academy of Economic Studies of Moldova, at the address: MD-2005, Chisinau municipality, 61 G. Bănulescu-Bodoni Street, 1st floor, cabinet 104, (block B).

The PhD thesis and the abstract can be consulted at the Scientific Library of the Academy of Economic Studies of Moldova, on the Academy of Economic Studies of Moldova website ([www.irek.ase.md](http://www.irek.ase.md)) and on the ANACEC website (<https://www.anacec.md/ro/technical-staff/evaluations>).

The summary has been sent on 27.09.2023.

**Chairman of the Public Support Committee of the doctoral thesis:**

PhD in economic sciences, university lecturer

**GRIGOROI Lilia**

**Scientific supervisor:**

PhD in economic sciences, university lecturer

**MANOLI Mihail**

**Author**

**RENCHECI Diana**

© RENCHECI Diana, 2023

## TABLE OF CONTENTS

CONCEPTUAL BACKGROUND TO THE RESEARCH.....	4
THESIS CONTENT .....	9
CONCLUSIONS AND RECOMMENDATIONS .....	26
BIBLIOGRAPHY .....	30
LIST OF THE AUTHOR'S SCIENTIFIC PUBLICATIONS ON THE TOPIC OF THE THESIS	31
ANNOTATION (Romanian, English, Russian) .....	32

## CONCEPTUAL BACKGROUND TO THE RESEARCH

**The relevance of the research topic and the importance of the approached problem.** After the adoption of the International Standards on Auditing (ISA), the Republic of Moldova is faced with the need to align itself with the changes made at international level in the field of auditing. Therefore, public institutions responsible for overseeing the quality of audit work in the Republic of Moldova need to restructure and modernise their activities in line with similar organisations in EU Member States as well as in other jurisdictions applying ISAs. This issue of modernisation of audit oversight institutions, with a particular focus on quality control of audit work, is a topical issue and requires further research in this area.

The importance of the research topic derives both from the requirements of the standards in conducting a quality audit and from the need for auditors to provide truthful opinions on financial statements so as not to present misleading information to stakeholders.

The topicality of the subject arises from the complex interaction between public oversight authorities and professional audit organisations, which play a key role in ensuring the quality and proper oversight of audit work. Public oversight authorities are responsible for regulating and supervising audit work and professional organisations have the role of promoting standards and best practices among auditors.

The topicality of the topic also lies in identifying ways to make the audit education system more effective in ensuring high quality training for future professionals, as audit professionals need access to appropriate education and training in order to remain relevant in a changing environment.

Emerging technologies such as data analytics, artificial intelligence and blockchain are having a significant impact on audit processes and as a result, questions are being raised about the adaptation of audit oversight and quality practices.

Conducting empirical and comparative studies in the area of audit quality and oversight is a key issue for European countries. Research into studies in the field of financial auditing under chronotop conditions reveals that a few years ago, such work was only characteristic of Anglo-Saxon countries, such as the UK and the USA, but nowadays it has spread throughout Europe due to the phenomenon of globalisation in the world economy. As a result, convergence of legislation is taking place across EU Member States, with comparisons between different countries helping to harmonise accounting and auditing at European and/or global level. In this context, the need to assess the effectiveness of auditing standards and regulations developed by international and European organisations and to identify ways to improve them is also topical.

**Description of the situation in the field and identification of research problems.** The issue of audit oversight and the quality of audit work is constantly on the minds of domestic and foreign researchers. Thus, we note important achievements in the work of economists, foreign and domestic, such as from R.M.: Ciobanu V., Cociug V., Iachimovschi A., Grumeza D., Graur A., Manoli M., Petroia A., from *Romania*: Bunget O. C., Brîndușe A. I., Crucean A. C., Farcane N., Hlaciuc E., R., Hațegan C. D., Mitroi M., Oprean I., Popa I. E., Tărița, A., Țurlea E., Roman A. G., Dănescu T., from the *USA*: Arens A. A., Zimmerman J. L., from Germany: Lohlein L., from the *United Kingdom*: Deangelo L. E., Defond M., from China: Zhang J., from the *Russian Federation*: Zubcova E., Efremova Iu., Sanghinova L., etc..

Synthesising the views of audit researchers and the experience of practising auditors, numerous challenges have been identified both nationally and internationally related to the quality and oversight of audit work. Addressing these challenges would have a significant impact on improving the quality of service provided by auditors and audit entities. Moreover, it would contribute to the advancement

of the audit profession and maintain the integrity and respect for financial auditing in the international community. Thus, there is a lack of complex investigations such as: examining the future perspectives and expectations of users of audited economic and financial information in order to know their opinions, identifying the factors that determine the existence of differences in perspectives and expectations, determining and implementing measures to match the perspectives of auditors and users of audited economic and financial information, enhancing the quality of audited economic and financial information, thus contributing to increased confidence in the business environment.

**The important solved scientific issues** in the thesis refer to the following aspects such as researching the evolutionary incursions of the audit work quality supervision system, addressing the principles and reference elements of the audit work quality supervision system and their documentation, proposing ways to improve the education system in order to increase the quality of audit work, as well as solutions on quality assurance and audit supervision during the health crisis and digitization of auditing.

**The purpose of the research** is to investigate in a comprehensive manner the theoretical and applied aspects of quality and supervision of audit work in order to identify possibilities for improving the quality and effectiveness of audit work and to provide a basis for improving it, based on international standards and European good practice.

In order to achieve the proposed aim, the following **research objectives** were determined:

- ✓ examining and conceptually systematising the concepts of "audit quality" and "audit supervision";
- ✓ identifying issues of concern in the development and application of quality control policies and procedures by audit entities;
- ✓ researching and analysing innovative international practices in audit quality oversight and assessing the impact of these practices on audit quality and identifying directions for improvement;
- ✓ assessing the impact of the work of audit quality oversight authorities and investigating how the audit quality oversight system influences the actual quality of audit work;
- ✓ examining issues related to the design and effectiveness of the audit quality oversight system, including aspects of funding, management structure, implementation of auditing standards and disciplinary processes, in the context of the involvement of state institutions and continuing professional development;
- ✓ developing a conceptual framework for determining materiality and audit risk for the purpose of ensuring the quality of audit work and determining the effectiveness of this framework in practice and adapting it to the specifics of the audit;
- ✓ to study the system of audit education and training and identify ways of making this system more effective in order to improve the quality of audit work;
- ✓ researching specific challenges and innovative solutions for quality assurance and oversight of audit work in times of emerging conditions and assessing how these solutions can contribute to strengthening audit quality in such contexts.

**Research methodology.** As methodological and theoretical-scientific support of the research, the fundamental results of the works of local and foreign scholars on the supervision of audit work and the quality of audit work were used. A mixed research method, combining qualitative and quantitative research, was used to prove the hypotheses and achieve the research objectives.

In the context of qualitative research, the focus is on fundamental financial audit research. For this purpose, a documentary research was carried out on primary, secondary and tertiary documents, such as audit legislation in the Republic of Moldova, Romania and other EU member

countries, national and international literature (manuals, books, articles), which contain neutral, current and quality opinions for the researched topic. Therefore, in the theoretical study of the topic other types of research were used, such as: *descriptive research*, by means of which we carried out data collection, highlighting the evolutionary aspects of financial auditing and critical description of the current situation; explanatory research, by means of which we analyzed and explained the identified similarities and differences, their causes and repercussions; *comparative research*, analysis, synthesis and parallel, present throughout the research on the state of financial auditing in Moldova, Romania and other EU member countries, constantly relating the situation to the European Directives.

Also, the quantitative research of the subject through bibliometric and scientometric methods, aims to quantify quantitative references on scientific contents by collecting data in numerical form in order to measure the evolution and performance of the research.

The evidence justifying the use of the comparative method is that it allows the identification of both similarities and differences between national and international provisions. The document analysis method was also used, as the analysis of the bibliographical sources addressed, the comparative research, and the opinions of specialists in the national and international literature allow a content division of the issues examined.

The *deduction method* provided an opportunity to apply already existing theories to the analysis of evidence, accurately expressed in the form of real phenomena and processes in time and space, demonstrating the ideas and opinions of domestic and foreign researchers on the subject of supervision of audit work and quality. The *qualitative research method* was combined with the quantitative one, the objective being to reinterpret the most important researches on audit quality, mentioning the studies highlighting the effect of decisive factors on audit quality. To this end, we conducted a descriptive-explanatory study of relevant articles in relation to the studied issue and the proposed purpose. As a result, studies were selected from international databases in the field of auditing and accounting for the period 1975 to 2022, using the keyword "audit quality" as a search criterion for the category "Articles". From the set of articles identified, only those articles with the phrase "audit quality" in the title were included in the analysis, resulting in a number of papers available in full format.

**Research hypothesis.** In a complex and dynamic economic environment, the quality of audit work is essential to ensure confidence in the financial information of audited entities. The role of the audit monitoring and oversight system is to ensure that professional and ethical standards are met and that the quality of audit services is continuously improved. Against this background, the hypothesis of the thesis can be formulated.

*The research hypothesis* assumes that the effectiveness and quality of audit work is influenced by the structure and oversight mechanisms of the audit oversight system, including collaboration between government bodies and professional associations, the diversity of assessment methodologies, the development of a customisable framework for materiality setting and audit risk management, and the benchmarking of audit practices within the Big Four and other audit firms, with a focus on developing auditor competencies and promoting high professional standards. The development and implementation of new directions in the supervision and quality assurance of audit work, including the optimisation of quality supervision concepts and practices, their adaptation to the specificity of financial auditing, the enhancement of professional education and training, and the integration of innovative technologies into audit processes, can significantly contribute to improving the audit process, enhancing the professionalism of auditors and maintaining the high reputation of financial auditing in the context of current requirements and specific challenges, including in times of emerging states.

The hypothesis points out that the effectiveness of the audit monitoring and oversight system, an entity-specific framework for determining materiality and assessing audit risk, comprehensive approach to training has a direct impact on the quality of audit work, can contribute to a more accurate identification of critical areas in assessing the quality of audit work, success in ensuring the quality of audit work.

This hypothesis will underpin the research and will be supported by detailed analysis of historical milestones, international practices, benchmark principles and other relevant issues presented in the PhD thesis.

**The scientific novelty and originality of the obtained results** lies in the analysis of the impact that the European harmonisation process has had on auditors and audit entities by addressing issues related to the quality and supervision of audit work:

- ✓ systematising theoretical approaches to the quality of audit work and its oversight mechanism;
- ✓ arguing how the regulations of the European Directives and international practices on quality assurance of audit work are transposed into national practice;
- ✓ conceptual development and system of supervision of the quality of audit work by adjusting the structure and mechanisms of regulation of quality control processes;
- ✓ identification of the causal relationship between the specific features of the oversight authorities and achieved activities using a set of indicators, which could determine their proper performance;
- ✓ streamlining and solving problems with regard to the adjustment of the quality supervision system of audit work under crisis conditions and innovative technologies;
- ✓ arguing for the need to modernise certain audit procedures by applying accessible digital technologies capable of creating a comprehensive cognitive ecosystem for audit activities.
- ✓ recommending measures to improve the education system to ensure the quality of audit work.

**The theoretical significance** of the thesis results from the conclusions and recommendations made by the author to the research topic, which contribute to the improvement of audit oversight and the quality of audit work, such as:

- ✓ deepening and theoretical development of the concept of quality audit and supervision of audit work;
- ✓ identifying through literature review the main mechanisms for quality oversight of audit work;
- ✓ analysis of the main guidelines of audit entities on the use of ISAs and study through literature review in relation to them;
- ✓ study of the possibility of elucidating the risks arising from financial audit quality deficiencies that may lead to sanctioning and/or reputational downgrading of audit entities and disruption of the audit services market;
- ✓ conceptualisation of methodological elements relevant to supplementing the structure of university courses and continuing professional training courses in specialised subjects studied in higher education institutions with an economic profile;
- ✓ identification of the need for the application of innovative technologies and digitisation of audit processes in order to develop new directions for improving the quality and supervision of audit work throughout the audit industry.

**The applicative value** of the research is confirmed by the use of the scientific results in the practice of auditing elements of internal audit quality control, such as:

- ✓ development of the system of supervision of the quality of audit work and the argumentation of their role and importance in the light of international practices in the field;

- ✓ arguing the process of establishing audit quality control policies and procedures when developing the internal audit quality control system;
- ✓ demonstrating the importance of the information and mechanism to verify the quality of audit work at PIEs and non-PIEs;
- ✓ developing a new structure of the oversight authority by presenting functional elements and a mechanism for monitoring violations and sanctions;
- ✓ theoretical and applied development of the concept of audit materiality and risk threshold setting in order to more accurately identify critical areas in assessing the quality of audit work;
- ✓ improvement of the education system in order to increase the quality of audit work, as well as solutions on quality assurance and audit supervision during emerging situations and digitization of audit processes.

**The main scientific submitted results for support** derive from the objectives of the thesis and consist of determining the role and assignment of powers to the competent regulatory authority, identifying proposals for improving policies and procedures for quality control of audit work in the development and implementation of the internal audit quality control system, proposals related to initial professional development and continuing professional development to enhance the quality of audit work.

**Implementation of scientific results.** The results of the present research have been accepted for implementation by the audit entities "Audit-Concret" SA (Annex 25 ), "Audit-Atlant" SRL (Annex 26) and ACAP (Annex 27,28). The information in the thesis can also be applied by practising auditors as well as in the teaching process of educational institutions with an economic profile.

**Approval of research results.** The achieved results of the research were presented and approved at *three* international scientific conferences organised by higher education institutions in the country. At the same time, the results of the research were recognized and registered by the State Agency for Intellectual Property (AGEPI) of the Republic of Moldova through the Certificate of Registration of Copyright and Related Rights Objects series OȘ no. 7550 of 29.05.2023 (Annex 29);

**Publications on the thesis topic.** The research results have been published in 11 scientific papers with a volume of 5,4422 author sheets, of which: 5 articles in scientific journals in other databases accepted by the National Agency for Quality Assurance in Education and Research including indexed international databases (*1 journal B+*), 2 articles in journals in the National Register of journals with indication of category (*1 journal B+*), 3 articles in the proceedings of scientific events included in the register of materials published on the basis of scientific events organized in the RM; 1 intellectual property object (IPO) issued by the State Agency for Intellectual Property.

**Volume and structure of the thesis.** The present thesis includes annotation, list of tables, list of figures, list of abbreviations, introduction, three chapters, conclusions and recommendations, bibliography (159 titles), 149 pages of basic text, 41 figures, 17 tables and 29 appendices..

**Keywords:** financial audit, oversight, quality of audit work, quality control policies and procedures, material misstatements, materiality, materiality and tolerable error levels, assessment of material misstatements of information.



## THESIS CONTENT

The **Introduction** demonstrates the topicality, importance and level of study of the research topic, formulates the aim and objectives of the paper, the research hypothesis, the research methodology, the important scientific problems solved, the novelty and scientific originality of the paper, the theoretical significance, the applicative value and the main scientific results put forward for support. The entities that constituted the object of the research and the auditing entities that implemented the scientific results are also named, and information related to the author's publications, which address the topic of the thesis, the volume and the structure of the thesis are presented.

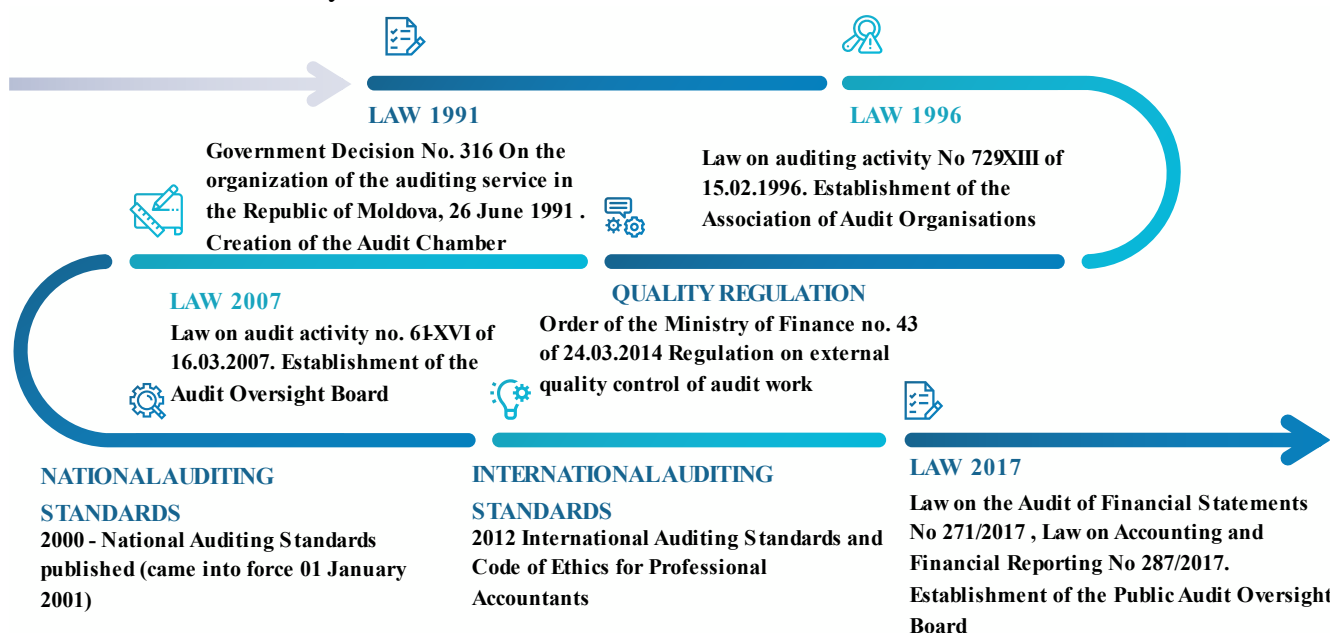
**Chapter 1, "THEORETICAL AND METHODOLOGICAL BACKGROUND TO AUDIT QUALITY AND OVERSIGHT"**, is a fundamental pillar of the paper, providing a detailed overview of the evolution and importance of the audit quality oversight system. This chapter covers several key issues, starting with an overview of the evolution of audit and its historical phases, including models of audit regulation based on the concepts of state and state-public regulation. Another highlight of this chapter is the analysis of the evolution of auditing in the Republic of Moldova since 26 June 1991, when Government Decision No. 316 on the organisation of the auditing service in the Republic of Moldova was adopted. Through this analysis, the specific course of audit in the context of the Republic of Moldova is outlined. The chapter also focuses on the audit market in the Republic of Moldova, providing a detailed analysis of the factors that have influenced the development of this market and highlighting its distinct characteristics. Another key topic revealed in this chapter relates to the role and importance of the audit work quality supervision system. The focus is on the Audit Quality Oversight Authority (AQO) and the registration procedures, basis of operation and mechanisms for suspending auditors and audit entities are detailed in depth. Finally, this chapter discusses relevant international practices in the field of audit quality oversight, providing an overview of oversight systems in different countries, such as the US, the UK, and EU Member States, including Romania, Italy and Ireland.

A critical analysis of the literature and accounting regulations has made it possible to establish that, in researching the fundamental content of auditing, we have found that throughout its evolution, auditing as a process, with a more pronounced development, has gone through three chronological stages.

Thus, the *first stage* of audit development was associated with the development of auditing in EU countries (Germany, Austria, France, Spain), where the activity focuses on the interests of banks and governmental organizations. Accordingly, confirmatory auditing, refers to the European model of establishing legal relations in terms of audit activity, according to which the activity is strictly regulated by the state, and state control functions are entrusted to centralized bodies. The *second stage* refers to the Anglo-Saxon model, which was developed in English-speaking countries, where the regulation of audit activity is mainly executed by professional public audit associations, i.e. it took the form of self-regulation. Thus, the difference between the concepts of audit regulation is due to the tasks that auditing solves and the unequal degree of government intervention in the regulation and organisation of audit activity. In the *third stage*, basic audit concepts such as materiality, audit risk, sampling were formed. Thus, in the mid-1990s substantive audit and control auditing were fully realised and gave rise to modern risk-based auditing.

The genesis of auditing in the Republic of Moldova (Figure 1) can be traced back to 26 June 1991, when Government Decision No. 316 on the organisation of auditing in the Republic of Moldova was promulgated. This document marked the approval of the Regulation for the first self-regulatory body of audit activity in the country, known as the Audit Chamber of the Republic of Moldova. Subsequently, the Law on Audit Activity No. 729-XIII of 15.02.1996 was adopted, whereby the Chamber of Audit was abolished and replaced by the Association of Audit Organizations, with limited

self-regulatory functions, and membership of auditors and audit firms in this association was not mandatory. This situation has led to the emergence of a larger number of associations of audit organisations, which have expressed a desire to have statutory self-regulatory functions within the audit profession, without making it compulsory for audit organisations and financial auditors to be members of the professional self-regulatory body. In 2007, a new law was adopted, the Law on Audit Activity No. 61-XVI of 16.03.2007, which also restricted the self-regulatory functions of the audit profession. Supervision of the work of auditors and audit firms became the responsibility of the state, and the financing of this supervision came from limited budgetary resources, which made it less efficient. Also, the association of auditors and audit firms did not obtain legal self-regulatory functions in the field of audit, and the Audit Oversight Board was composed exclusively of state representatives, without including audit practitioners. Weaknesses in the field of auditing were mentioned in the Report on Observance of Standards and Codes (ROSC) prepared by the World Bank on 13 June 2013, which noted that the regulation of audit activity in the Republic of Moldova differed significantly from the EU Directive on Statutory Audit.



**Figure 1. Evolution of audit in the Republic of Moldova**

*Source: elaborated by the author*

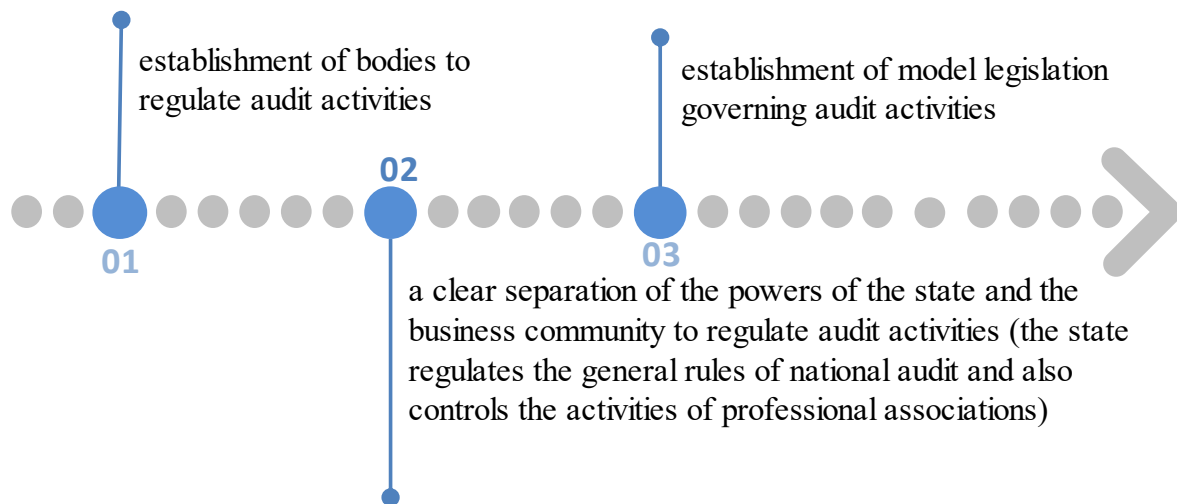
External quality control of audit work has been implemented since 2014, with the adoption of the Regulation on external quality control of audit work, approved by the Order of the Ministry of Finance No 43 of 24.03.2014.

A significant moment in the development of financial auditing in the Republic of Moldova was recorded in December 2017, with the enactment of the Law on the Audit of Financial Statements No. 271/2017 and the Law on Accounting and Financial Reporting No. 287/2017, which transposed into national law the European Union Directives 2006/43/EC, 56/2014/EU and 2013/34/EU. These evolving legislative changes have had a significant impact on the structure and size of the audit market in the country.

Compared to other countries, the audit services market in the Republic of Moldova is characterised by a relatively small size. As of 31 December 2021, 112 audit entities were registered in the country, of which 106 had the legal form of Limited Liability Company (SRL), while three were Joint Stock Companies (SA).

Another action that led to the change in the status of auditors in society was the high-profile corporate scandals, which changed the old system of organising auditors, which could no longer ensure

their activities as reliable peacekeepers in the financial markets. The very principles of auditing and the methods of regulating audit activity have required fundamental changes. These changes have been associated with the tightening of state regulation and control over auditors' activities. Thus, we can say that the main trend in the development of modern global auditing has become the combination of the principles of state and public regulation in a *mixed model* (Fig. 2.), in which the principle of self-regulation gives way to the equal participation in the regulation of audit activity of the professional community and the state..



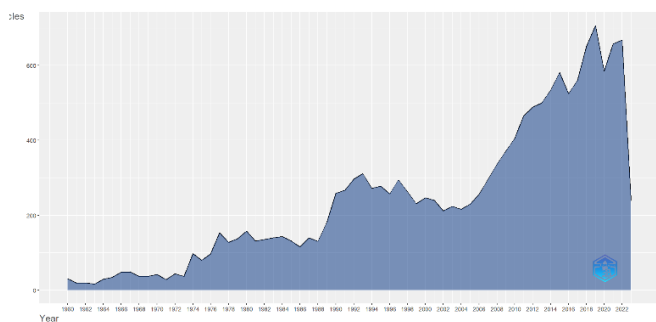
**Figure 2. Characteristics of the mixed regulatory and oversight model of audit activity**

*Source: elaborated by the author*

În calitate de suport teoretico-științific al cercetării problematiceii auditului, supravegherii și calității lucrărilor de audit, a fost utilizată și cercetarea cantitativă prin intermediul metodelor bibliometrice și scientometrice în demersul cuantificării, măsurării și analizei în ceea ce privește performanța cercetării.

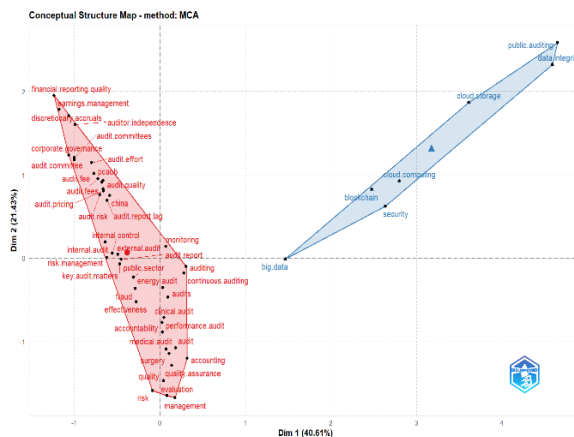
In this regard, an overview of scientific research related to audit, oversight and audit quality is presented through the Web of Science platform, the largest database of scientific references that allows the analysis of the evolution of research topics in the global scientific circuit. Therefore, in order to identify the relevant research in relation to the stated issue, the following research parameters were pre-established: *identification of the word "audit" in the subject of the publication in the period 1960-2023*, the results obtained were interpreted using the Bibliometrix toolkit. Thus, based on the above parameters, 94,278 scientific papers were identified, published in 4,305 sources and based on 154,449 bibliographic references, from which 15,500 scientific papers were extracted for interpretation. Therefore, Fig. 3. shows that most scientific papers were published in 2019 - 707 papers, 2022 - 668 papers, 2021 - 658 papers, 2018 - 652 papers, 2020 - 585 papers, etc.

In the same vein, factor analysis (fig.4) of keywords allows to highlight the most relevant words used by the authors, outlining the research direction of the publications. Thus, the most frequently used words are *audit, audit quality, auditing, audit fees, internal audit, corporate governance, audit committee, audit risk, cloud computing, blockchain, audit fee, etc.* Thus, the keyword analysis using the multiple correspondence method of high frequency keywords shown in fig. 4., synthesizes the data in a low dimensional space and creates a two-dimensional graph for which it uses the planar distance in a keyword similarity projection. Therefore, the words approaching the central point mark the frequency of their use in scientific papers in the period 1960-2023, i.e. external audit, internal control, internal audit, risk management, monitoring etc.



**Figure 3. Annual scientific productivity between 1960 and 2023**

Source: elaborated by the author using the Bibliometrix mapping tool



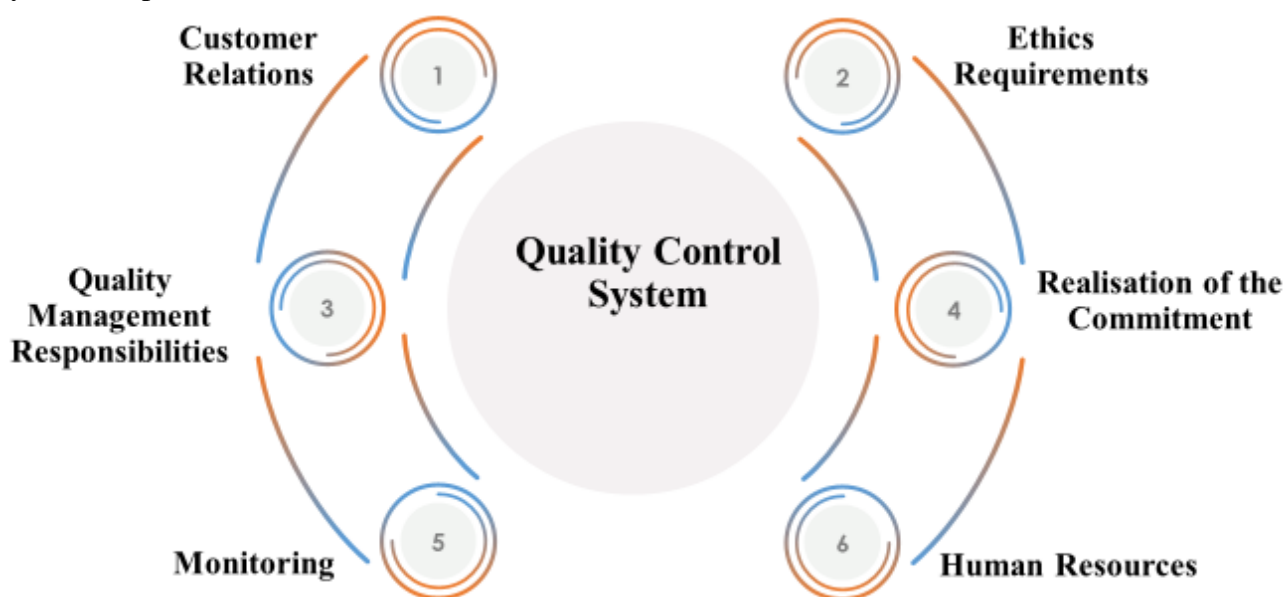
**Figure 4. Factor analysis of high-frequency keywords over the period 1960-2023**

Source: elaborated by the author using the Bibliometrix mapping tool

Synthesizing the results of the research, we conclude that the issue of audit, oversight and quality of audit work is highly topical, since 1960 and to date there are at least 13 scientific papers on this area of research, the trend topics being *audit quality*, *audit risk*, *auditing*, *internal audit*, *corporate governance*, etc.

In our opinion, quality control policies and procedures need to be implemented from two perspectives: at the level of the individual audit and at the level of the audit firm. In this respect, their implementation is intended to provide assurance that audit processes are operating in accordance with the relevant national standards and practices. The duration and nature of the policies and procedures undertaken in the quality control approach at the level of an audit entity depend on a number of factors, namely: the size and specificity of the work performed, the geographical location, the appropriate mechanism for defining and determining the cost/benefit ratio and the extent of their documentation.

Therefore, in Fig. 5. elements relating to the policies and procedures of the quality control system are presented.



**Figure 5. Elements related to quality control system policies and procedures**

Source: elaborated by the author

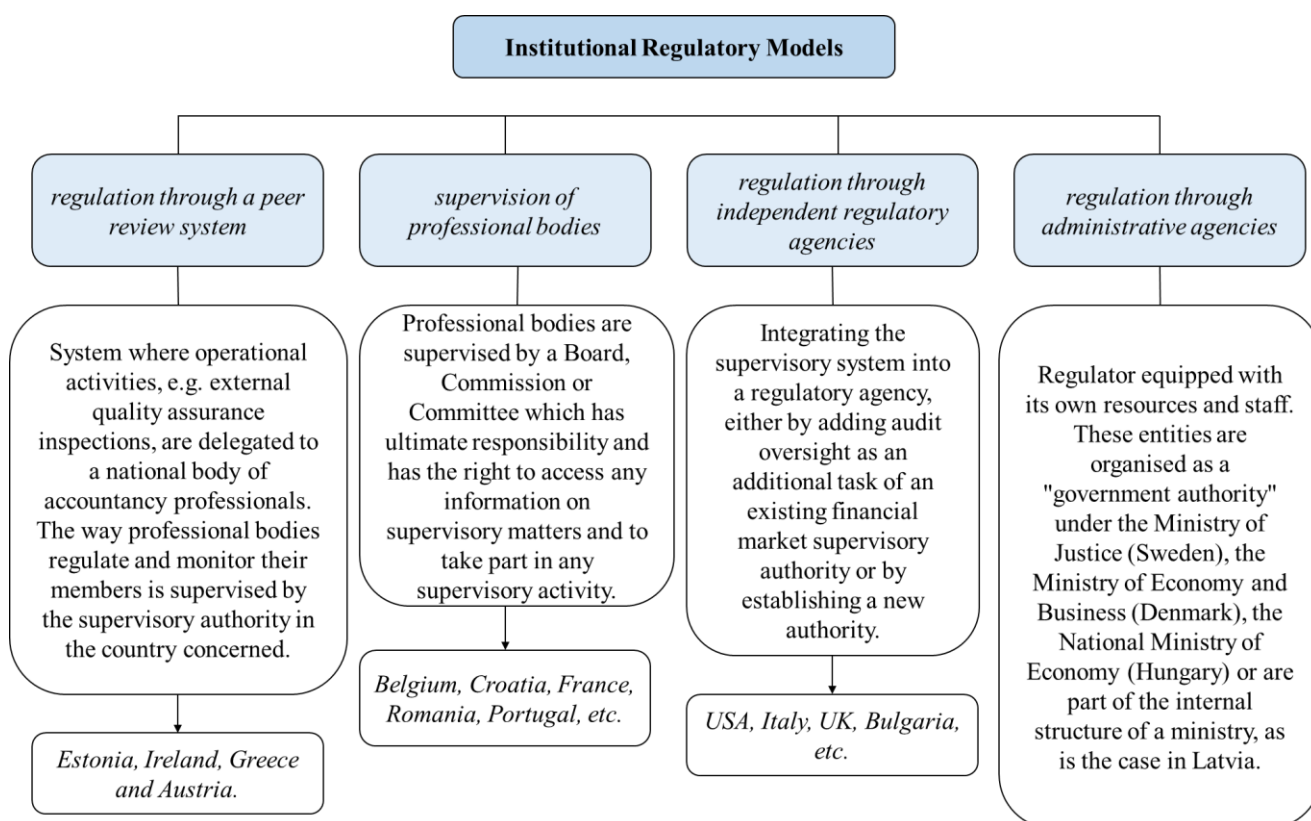
Thus, fig. 5, highlights the importance and complexity of quality control in audit and accounting. These elements are essential in maintaining public confidence and upholding high

professional standards. Being interrelated, these elements ensure quality of service in audit and accounting practice.

The background to the emergence of audit oversight bodies is explained by the provision of low-end audit services by certain providers. Consequently, for monitoring and verification purposes, it has been decided that supervision is indispensable. This work could be assigned to professional bodies, as the latter could have greater decision-making power over the constituent members. To sum up, most irregularities in the field of auditing stem from non-compliance with ethical principles, with financial auditors sometimes showing poor judgement in relation to applicants, i.e. their rational faculties are influenced, which is a challenge for every professional.

International integration and harmonisation of activities in the economic sector has led to the emergence of oversight bodies in several countries, and has also facilitated public opinion in favour of global audit reform. Audit reform has made it possible to establish oversight authorities as independent bodies. Internationally, the US is the first country to establish such an authority [138]. As a result, Annex 9 sets out the PCAOB's remit, with the scope of the Board's authority grouped into four activities: auditor registration, inspection, setting relevant standards and auditor sanctions.

Following the implemented synthesis on the oversight of audit activity, the researcher Lohlein L. identifies 4 institutional models of regulation, from self-regulated bodies to those formally regulated and managed entirely by the state, shown in Fig. 6.



**Figure 6. Institutional regulatory models formally and fully managed by the state**

*Source: elaborated by the author based on [56, p. 16]*

Therefore, we note that there are significant differences in the way public oversight of auditing is implemented between states. In our opinion, the Republic of Moldova model is more similar to the model of regulation through administrative agencies.

**Chapter 2 "ORGANISATION OF THE SYSTEM OF SUPERVISION OF THE QUALITY OF AUDIT WORK"** deals with the principles and defining elements of the quality of

audit work. The chapter provides a comprehensive overview of how organisations and authorities deal with quality control and quality assurance in financial auditing. In this section, comparative aspects of the Audit Oversight Board's and the Public Audit Oversight Board's remit, legal status and funding sources of these institutions are discussed. Considerations on the frequency of implemented controls are presented and a specific structure for the supervisory authority is proposed to streamline the process. It also sets out the fundamental principles underlying the development of a system of supervision of the quality of audit work and discusses in detail how documenting these principles contributes to improving audit quality. It also addresses issues specific to small audit entities and investigates international experience to identify good practices that can be integrated into the audit process. The chapter reveals concerns about the design of the system for overseeing the quality of audit work and explores how changes related to the audit of financial statements in EU Member States affect this area and how these countries react to legislative changes. It also examines the supervisory process in EU Member States and compares it with the situation in the Republic of Moldova.

There are a variety of factors that can influence the way auditors from different companies and even from the same company carry out audits, which allows audit quality to be assured by more than just rules. It is difficult and costly to assess audit quality by professional organisations, but also by audit beneficiaries. That is, the audit entity or the auditors, as the case may be, may offer different quality services to their clients, or may offer different quality services to the same clients from one period to another.

From a quality perspective, audit has been assessed over time from both an institutional and other stakeholder perspective. From an institutional perspective, audit quality has been assessed in terms of whether professional organisations and/or supervisors of the work of financial auditors verify compliance with applicable legal and professional standards. From a stakeholder perspective, the criteria are usually different.

The assessment of quality at the level of the profession provides the possibility for corrective measures or sanctions, the application of which can be verified. Analogously, quality assessment by other stakeholders, such as investors, partners or competitors, involves only the option of adapting the behaviour of auditors or audit entities to the reactions of current and potential clients.

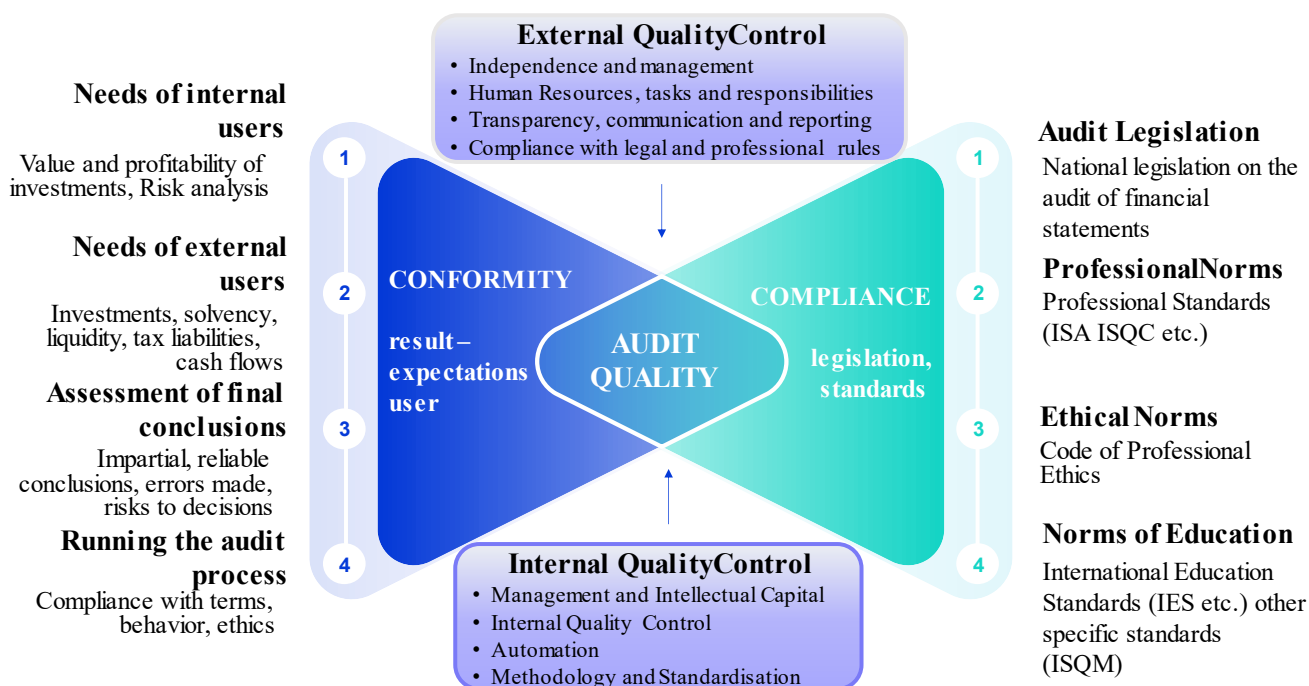
The audit entity's objective is to establish and maintain a quality control system that provides it with reasonable assurance that:

- ✓ the audit entity and its employees are subject to applicable professional standards and legal and regulatory requirements; and
- ✓ reports issued by the entity or engagement partners are appropriate to the circumstances.

In the context of the above, ISQC 1 defines a number of terms in the field of audit work quality, presented in the thesis. All four terms, *engagement quality control review*, *inspection*, *monitoring and quality control system* are interconnected and have a common purpose in ensuring the quality of audit work in an audit firm.

The engagement quality control review focuses on evaluating a specific audit engagement and ensuring that it meets professional standards. The review provides specific evidence to assess whether audit teams are complying with the firm's quality control policies and procedures. Monitoring has a broader role, covering the ongoing assessment of the firm's entire quality control system, including periodic inspections of engagements.

At a conceptual level, it is fair to examine two complementary but mutually independent functions of audit services through which audit quality can be sufficiently defined: *conformity and compliance*.



**Figure 7. The concept of quality in auditing**

Source: elaborated by the author

One of the main requirements must be to reflect the need to comply with the requirements of regulatory structures, while on the other hand the quality of the audit is largely determined by the expectations of the users of audit services in terms of the final outcome. Thus, the author has formulated his own definition in the approach of the research - *Audit quality is a level (measure) of performance and integrity in the audit process that consists of ensuring compliance with the expectations of key user groups, ensuring an appropriate level of confidence in the accuracy of audited financial information and rigorous compliance with professional auditing standards and ethical rules of auditors, including accepted auditing methods and principles set out in the Code of Professional Ethics.*

The entity is required to document its policies and procedures, and therefore to inform its staff about them. In general, communication of quality control policies and procedures to its staff includes a description of the policies and procedures, the objectives for which they were designed, and the message that each employee is responsible for the quality of the activities performed, as a result of which employees are expected to comply with these policies and procedures. In doing so, the entity's personnel are encouraged to communicate their views and concerns about quality control, which emphasises the importance of gaining feedback on the entity's quality control system.

The survey found that among the impediments encountered in organising and exercising audit quality control, there were problems with establishing the conditions for performing audit quality control in over 38% of respondents, problems with assessing the effectiveness of audit quality control policies and procedures in over 28% of respondents, problems with assessing the effectiveness of audit quality control policies and procedures in over 9% of respondents and other types of problems in over 15% of respondents. At the same time, more than 14% do not encounter any difficult conditions.

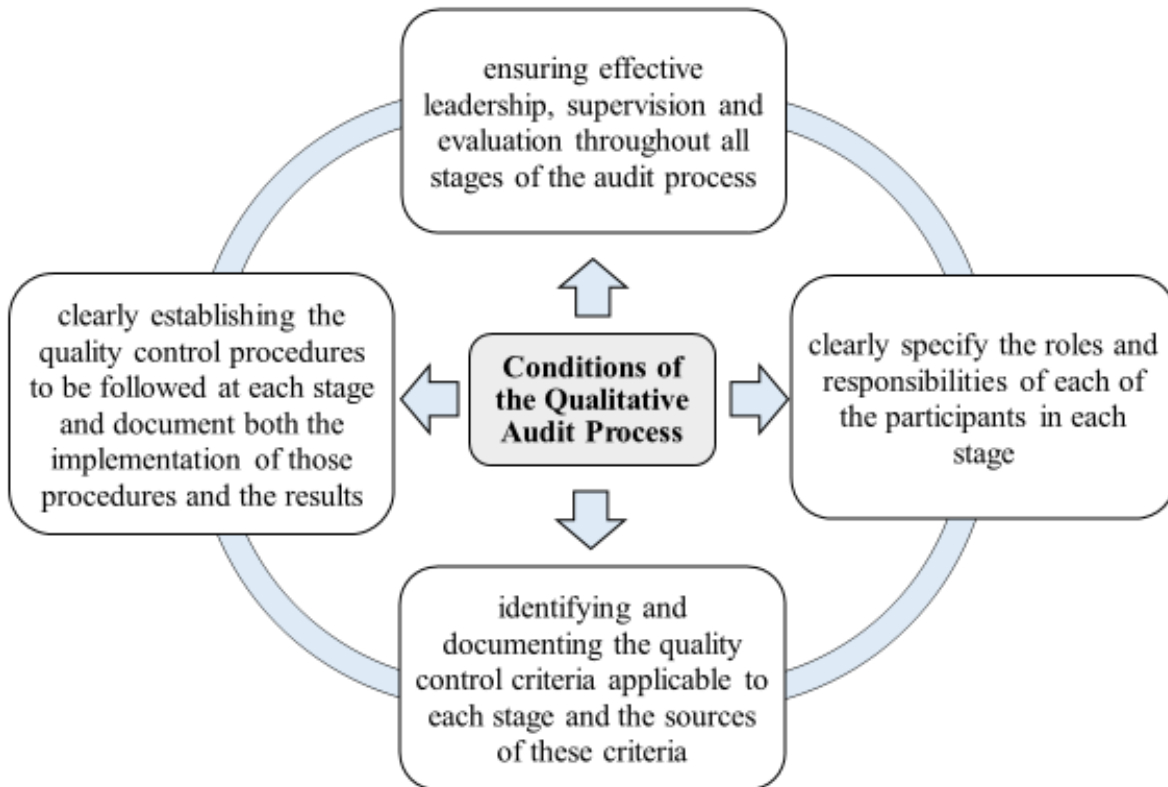
The first requirement in developing quality management is to define quality standards and introduce quality control procedures that will ensure compliance. Therefore, quality control procedures should not suppress the auditor's judgement when having to accommodate different circumstances. However, if the auditor deems it necessary to deviate from the usual audit methods and procedures, the

auditor has an obligation to demonstrate the need for this deviation and to give reasons for the choice made if it can satisfy the audit objectives.

The next requirement in the development of quality management is to ensure the effectiveness of quality control procedures, and also to identify opportunities to increase the effectiveness and/or efficiency of these methods. As a result, the best way to ensure effectiveness derives from the use of different types of post-audit quality assessments and the use of similar assessment concepts for institutional issues. Achieving the highest quality requires the adoption of an institutional culture in which quality is the fundamental value reflected in management skills and in relations with clients, the beneficiaries of services.

Practical experience in the field of auditing has shown that the most appropriate method for ensuring the effectiveness of quality control procedures is post-audit quality assessment. The purpose of the post-audit assessment is to ensure the consistency and correctness of the use of quality control procedures established by the entity and to identify ways of improving inspections, rather than to criticise a particular audit subject to assessment.

Based on international experience, the number of "fair practices" involved in audit work is established. Therefore, in order to achieve a higher quality in audit work, the following conditions must be met (fig.8.).



**Figure 8. Conditions of the qualitative audit process**

*Source: elaborated by the author*

From the point of view of how the entity's management can contribute to the enhancement of the quality and effectiveness of the work carried out, quality control and quality assurance systems and procedures shall be put in place to ensure that the minimum quality standard is met in the approach to the preparation of audit reports and other products and services of the audit entity. However, in the day-to-day working context, the entity should aim to exceed these minimum standards. In this endeavour, it becomes paramount to have well-trained managers not only in the knowledge of audit



techniques but also in management techniques. The acquisition of these techniques involves skills that some managers acquire through experience, while others learn through effective training.

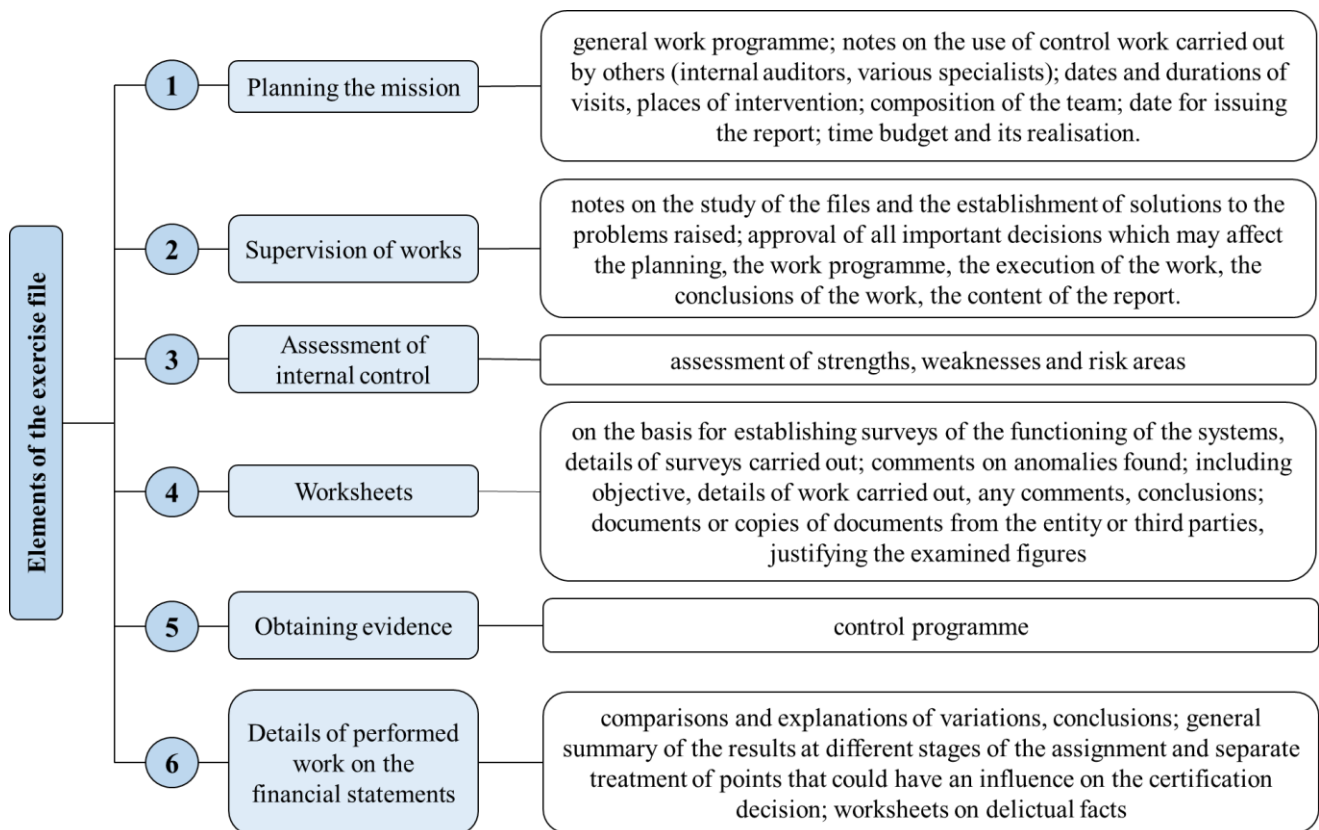
Similarly, in terms of managers' skills and abilities, these range from the ability to guide and inspire professional and support staff, to various budgeting and strategic planning skills. Thus, a quality of successful entities is the significant investment of time and resources in the continuous development of managers at all levels. Based on the above, in order to achieve quality audit services, an entity should: ensure a managerial organisation that considers the efficient consumption of resources; manage human resources effectively to maximise the productivity of staff; exercise prudence and identify performance in the recruitment process, thus anticipating the future needs of the entity; evolve and deliver appropriate practical staff training that includes: *induction training* - assisting newly hired staff in adjusting within the organization, *technical training* - enhancing the performance and skills of staff, *managerial training* - training and coaching certain staff in order to give them greater responsibilities, *continuing education* - maintaining, increasing and fostering the development of new professional and cognitive skills of staff; stimulate staff development by: *formal performance* consideration systems towards identifying strengths and weaknesses, *individual development and improvement plans* to enhance strengths and overcome incompetencies, *minimum standards* of professional growth as a precondition for promotion and advancement; identify and confirm the need for advanced/distinct skills in conducting certain audits and provide the necessary specialists, from within the entity or from external sources; Identify and assess the risks faced by the entity in relation to the work performed and manage them effectively, such as assigning more experienced auditors to assignments involving increased risks; appropriately manage external relationships that enhance the audit entity's effectiveness in increasing the accountability and efficiency of entities.

In the light of the above, we note that exceptional situations, such as the pandemic, have also affected the planning stages of the audit. Practitioners interviewed via the questionnaire in Annex 15, mentioned that during the pandemic period they had most difficulties at the stage of performing preliminary analytical procedures (23.8%), obtaining background information (14.3%), obtaining information about the client's legal obligations (14.3%), understanding internal control and control risk assessment (14.3%) and pre-planning (9.5%).

Audit working papers need to be prepared at the highest level to achieve the audit objectives in a clear and accessible way. The extent to which audit working papers are expanded is a matter of professional judgement, and the auditor must base his decision on the key issues to facilitate an experienced auditor with no previous links to the audit.

The exercise file contains all the elements of an engagement, the usefulness of which does not go beyond the controlled exercise. The file is necessary for better organisation and control of the audit assignment, documentation of the work carried out, retrospection of the decisions taken and assurance that the audit was executed without omissions, organisation of teamwork, supervision of the work and justification of the opinion issued, ultimately followed by the drafting of the report. In the general sense, the dossier comprises the following elements (fig. 9.). To summarise, when using the exercise file, it is considered appropriate to divide it into sections (parts) to make it easier to use. In general, a division into 10 sections (parts), named A to J, is used, as shown in the annexes.

The constituent and characteristic elements of the permanent file are: *presentation sheet, brief history of the entity, organisation charts, persons representing the entity, financial statements for the last financial years, notes on the organisation of the sector of activity, notes on the articles of association, minutes of the Board of Directors and General Meeting, list of shareholders or associates, group structure, contracts, insurance.*

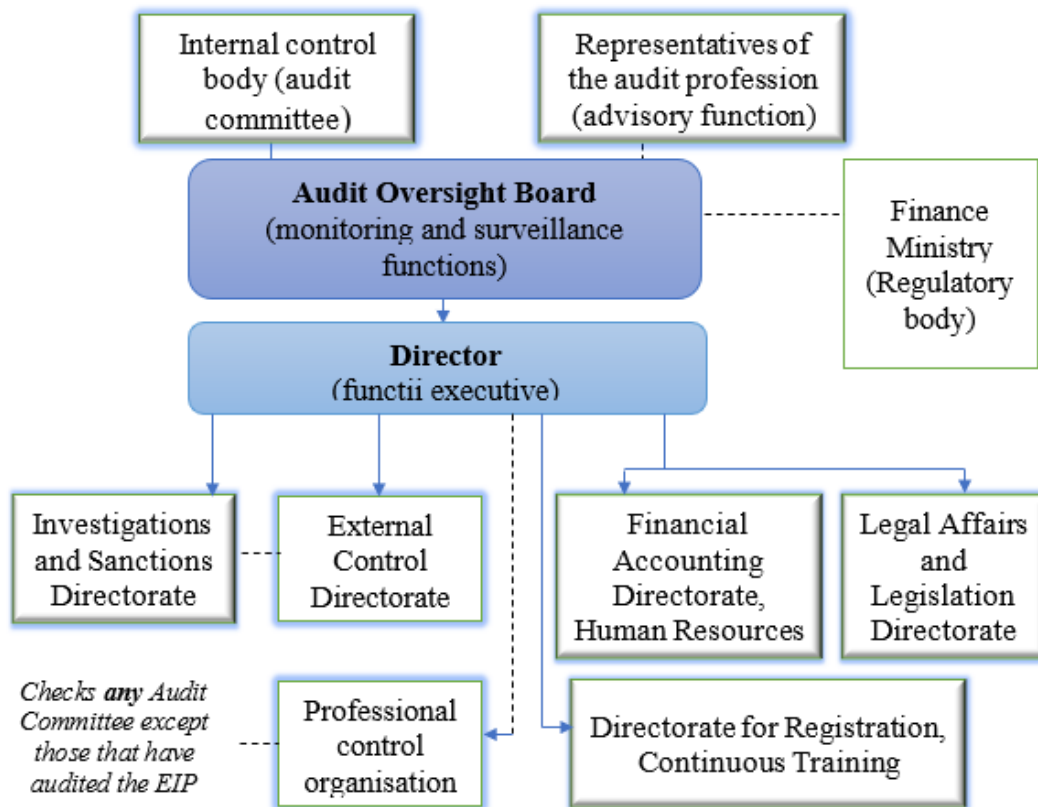


**Figure 9. Structure and content of the audit file**

*Source: elaborated by the author*

As the Republic of Moldova is concerned with the alignment of the domestic legal framework with European standards, we conclude that these principles are essential for our state but also for states whose democracies are less aware of the need to develop the concept of the system of supervision of the quality of audit work. We note that one of the main directions of improvement of the system of supervision of the quality of audit work in the opinion of domestic auditors (Annex 15) is the amendment of the legal framework in order to improve the system of supervision of audit work. The Rules of Procedure of the Public Audit Oversight Board do not exactly provide for a structure divided into directorates, but its provisions and practical aspects allow the following conclusions to be drawn: no express provision is made for structures for legal and financial-accounting issues, no mention of the establishment of a separate body for external control of audit quality, no functions for internal control (censorship committee), unrepresentative composition. In the context of the above, a strategic proposal is made to include representatives of the audit profession in the composition of the Public Oversight Audit Board (Figure 10).

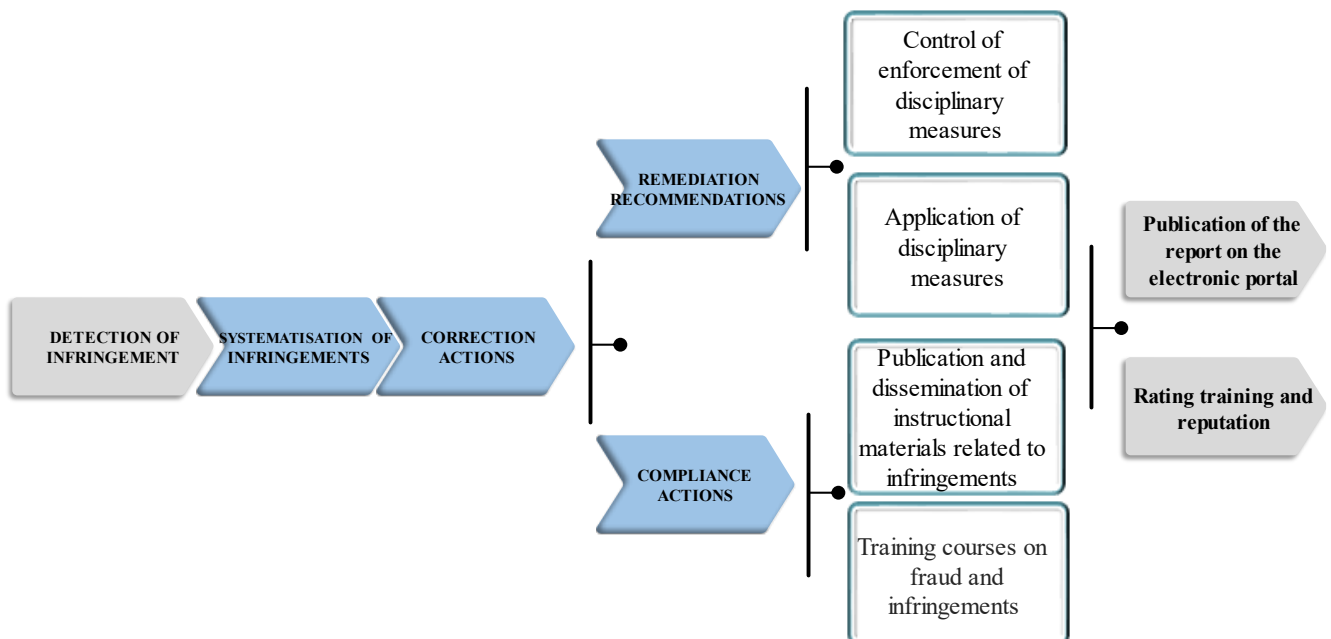
This change would bring significant benefits to the audit oversight process for a number of reasons (deeper understanding of audit work, insights from the field on developments, increased level of trust, development and review of professional standards, etc.). A key issue related to the proper organisation of the audit oversight system is the accumulation and management of financial resources by the Public Audit Oversight Board. More specifically, the sufficiency of the income earned by the Public Audit Oversight Board for the budgeting of the work and the remuneration of the audit specialists, who must be adequately trained. Of the Council's total funding, 92.7% comes from the profession's contributions, while only 7.30% of the total funding is allocated from the state budget.



**Figure 10. Proposed organisational and functional structure of the supervisory authority**

*Source: elaborated by the author*

We believe that this report is not in contradiction with European practice, especially when the state does not have sufficient financial sources. However, we believe that mixed funding, for example 70% from the audit profession and 30% from the state, might be the best solution at this time. In another vein, the author proposes a step-by-step scheme (fig.11) for the application of disciplinary measures in case of detection, correction and prevention of improper auditing which is essential and useful for several reasons. This scheme can serve as a framework to ensure that the disciplinary process is transparent, fair and consistent within the audit organisation or professional audit organisations.

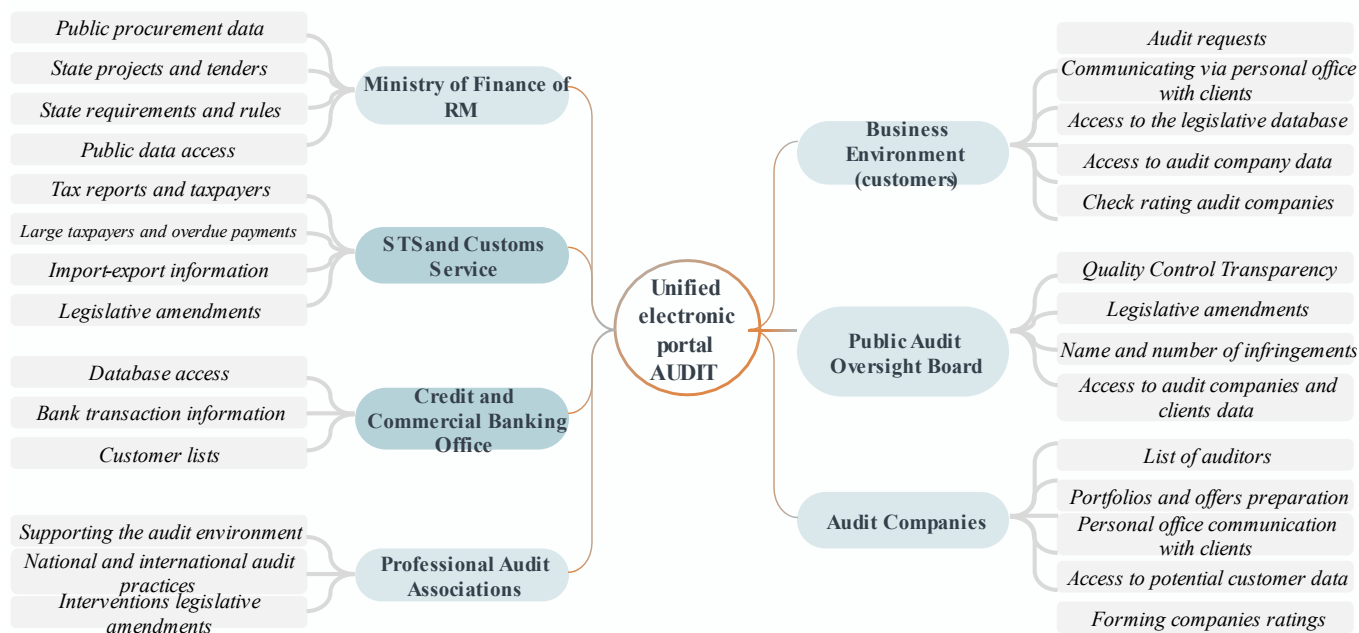


**Figure 11. Scheme of application and correction of infringements**

*Source: elaborated by the author*

Digitisation of the economy is one factor that would solve many problems. Close collaboration between different stakeholders such as audit firms, regulatory organisations, government and supervisory boards can be achieved by creating a developed electronic audit system where clients could benefit from **greater transparency and accessibility of information**. A unified electronic audit portal should provide a centralised environment where information on audit firms, their reports, licences, audit status and more is available. This information should be easily accessible and provide real-time transparency for all stakeholders.

The author proposes the creation of a portal (website) as a unified electronic information resource in the field of audit work which will aim at consolidating information about the work of auditors, clients and its prompt use by interested users (fig. 12).



**Figure 12. Mechanism and structure of the unified AUDIT electronic portal**

*Sursă: elaborat de autor*

As part of the unified information resource, auditors will have access to personal cabinets through which public information will be collected and provided.

**Chapter 3 "DIRECTIONS FOR IMPROVING THE QUALITY ASSURANCE SYSTEM FOR AUDIT WORK"** reveals key concepts relating to the determination of materiality and risk in audit work with the aim of ensuring higher quality audit work. In this context, the types of audit risks and their links to the materiality plan process are analysed. The chapter discusses concrete and practical examples based on financial statements obtained from the entities researched. These examples include issues such as determining the overall materiality threshold, allocating the overall materiality threshold to various balance sheet assets and assessing the tolerable error applied to the accounts. In parallel, the chapter explores directions for improving the education system to enhance the quality of audit work. Professional standards for auditors are presented and detailed and solutions are proposed to overcome current challenges related to auditor qualification and education. It also provides an analysis of the situation of higher education institutions in the Republic of Moldova in the context of accounting and auditing studies. In another segment, it focuses on challenges and solutions related to audit quality and oversight during the health crisis. Recommendations are made on adapting the regulatory framework and audit practice to enable the use of innovative digitalization technologies in the work of audit entities.

In both the literature and audit practice, there are two fundamental concepts that influence the quality of audit work and are used to determine the amount of evidence collected by auditors, the circumstances of the collection of that evidence and the criteria that will be used to evaluate it. Accordingly,

the concepts mentioned are materiality and audit risk (AR). The survey of auditors found that more than 38% of the respondents encounter all types of audit risk in the audit engagement, but more frequently encountered are non-detection risk (NDR) (at more than 28%) and control risk (CR) (at more than 23%).

We deduce that the auditor evaluates the AR in two moments:

1. during engagement planning, when the nature, timing and extent of the procedures to be performed are determined, the planned AR is determined;
2. when assessing the sufficiency and quality of the audit evidence collected, the AR achieved is determined [69].

It is obvious that no two audit engagements are identical, thus each audit engagement is perceived as a challenge for an audit entity. Therefore, every audit engagement involves risks, and identifying them already at the planning stage is one of the objectives of the auditor.

Therefore, in order to determine the relationship between the three components of the AR, the AICPA issues a mathematical model, which is authentic and now:  $AR = IR \times CR \times NDR$  (1)

As a result, *quantitative* (percentage) or *qualitative* (low, medium, high) terms can be used to express the level of AR. The three components of AR are independent, but this judgement does not correspond to reality as management will establish a level of control so that errors due to inherent risk (IR) can be determined. In other words, separate assessment of IR and CR will not result in a real level of risk. In addition to the quantitative approach, another method of risk assessment is the *qualitative* one, using estimates such as low, medium, high, shown in Table 1..

**Table 1. Estimated NDR expressed qualitatively**

		CR		
		High	Medium	Low
IR	High	<i>Very low</i>	<i>Low</i>	<i>Medium</i>
	Medium	<i>Low</i>	<i>Medium</i>	<i>High</i>
	Low	<i>Medium</i>	<i>High</i>	<i>Very high</i>

*Source: elaborated by the author based on [69]*

Therefore, there is a correlation between the audit assignment stage and the type of risk evaluation (Table 2.).

**Table 2. Correlation between audit assignment stage and type of risk evaluation**

Audit planning	Understanding and testing the internal control structure	Applying tests	Drawing up the Audit Report
IR Assessment	CR Assessment	NDR Determination	AR Evaluation

*Source: elaborated by the author based on [72]*

According to ISA 315 "Identifying and Assessing the Risks of Material Misstatement through an Understanding of the Entity and Its Environment", "to assess IR, auditors should perform an assessment of risks that require special audit consideration: as part of the risk assessment, the auditor should determine the extent to which any of the identified risks, according to the auditor's judgement, represent significant risks" [45, p. 289].

In terms of the overall materiality assessment, when developing the audit plan, the auditor requires an acceptable level of materiality so that he or she can quantitatively detect material misstatements. The materiality level shall be determined at the level of the financial statements as a whole, but also at the level of classes of transactions, account balances and disclosures. There is an inverse relationship between materiality and the level of AR, i.e. the higher the level of materiality, the lower the AR, and vice versa.

Following the ideas on materiality threshold, we note that Table 3 shows an example based on the Annual Financial Statements of the entity "Exprof Grup" SRL on the distribution of the overall

materiality threshold on balance sheet assets. According to the calculations in Table 3, the overall materiality threshold is 2% of total assets, thus the overall materiality threshold is equal to 74 024.95 lei. It can therefore be seen in column 3 that the overall materiality threshold has been allocated to asset items according to their share in total assets, and in column 5, it is modified by means of adjustment coefficients, thus obtaining the "tolerable errors" for each asset item. As can be seen in Table 3, the preliminary level of the overall materiality threshold and the predetermined tolerable errors can be modified during the audit engagement, depending on the new information gathered about the audited entity.

**Table 3. Distribution of overall materiality by balance sheet asset items**

Indicators	Balance at 31.12.22	Weight in total assets (%)	Distribution of overall materiality	Adjustment coefficient (k)	Tolerable error
A	1	2	3 = PSG x 2	4	5 = 3 x 4
<b>Fixed assets</b>	<b>5 070 016</b>	<b>68,50</b>	<b>50 700,16</b>	<b>0,700</b>	<b>35 490,11</b>
Intangible fixed assets	0	0	0	0	0
Tangible fixed assets	5 070 016	68,50	50 700,16	0,700	35 490,11
Financial fixed assets	0	0	0	0	0
<b>Current assets</b>	<b>2 290 145</b>	<b>30,93</b>	<b>22 901,45</b>	<b>1,678</b>	<b>38 428,63</b>
Inventories	288 559	3,90	2 885,59	1,140	3 289,57
Receivables	2 000 697	27,03	20 006,97	1,756	35 132,39
Treasury assets	889	0,01	8,89	0,750	6,67
<b>Prepaid expenses</b>	<b>42 334</b>	<b>0,57</b>	<b>423,34</b>	<b>0,251</b>	<b>106,21</b>
<b>Total assets</b>	<b>7 402 495</b>	<b>100</b>	<b>74 024,95</b>	<b>X</b>	<b>74 024,95</b>

Source: prepared by the author on the basis of the Financial Statements of the entity "Exprof Grup" SRL

Another group of scientists, including Arens A. and Loebbecke J. K., provide another variant for the distribution of the overall materiality threshold by balance sheet items (assets, liabilities), as shown in Table 4. It is therefore necessary to allocate in Table 4 the hypothetical overall materiality threshold, calculated on the basis of the data in Table 4. In Table 4 we have in practice a restricted form of the balance sheet in which we allocate the overall materiality threshold.

**Table 4. Determination of the tolerable error applied to the accounts of the entity "Exprof Grup" SRL**

Indicators	Balance at 31.12.2022, lei	Tolerable error, lei
Cash	889	500 (a)
Trade receivables	1 866 424	4 790 (b)
Inventories	288 559	4 790 (b)
Other current assets	2 043 031	1 000 (c)
Fixed assets	2 962 068	1 000 (d)
<b>Total assets</b>	<b>7 402 495</b>	<b>X</b>
Trade payables	5 220 663	2 000 (e)
Accrued payroll and taxes	21 710	887 (c)
Accrued interest and dividends payable	1 595	0 (a)
Other liabilities	4 131	1 000 (c)
Share capital	5 400	0 (a)
Undistributed profits	1 931 509	n/a (f)
<b>Total liabilities and equity</b>	<b>7 402 495</b>	<b>X</b>
<i>The sum of all tolerable errors may not exceed (2 x 74 024,95)</i>		<b>148 049,90</b>
<i>The tolerable error for any account may not exceed 60% of the preliminary materiality threshold (148049,90x60:100)</i>		<b>88 829,94</b>

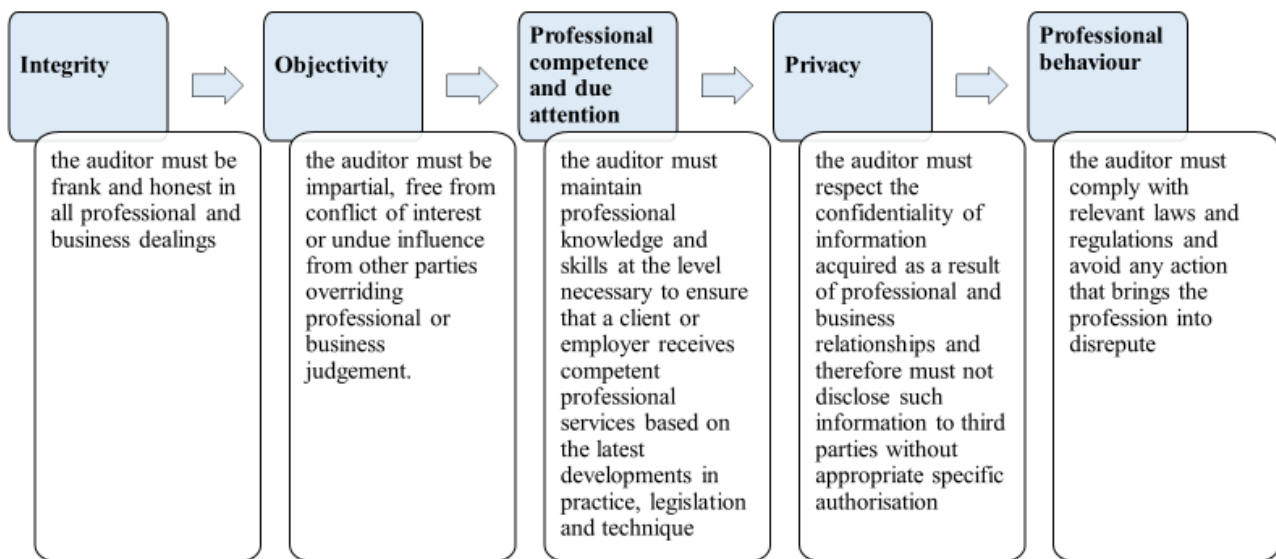
Source: prepared by the author on the basis of the Financial Statements of the entity „Exprof Grup” SRL

Table 4 shows that the allocation method used by the members of the audit engagement team is to use their own professional judgement, taking into account two conditions imposed by the audit entity through internal regulations:

- ✓ the tolerable error for any account cannot exceed 60% of the preliminary materiality threshold;
- ✓ the sum of all tolerable errors may not exceed twice the preliminary materiality level.

Compliance with ethical principles by audit team members starts with education. The financial auditor's attitude, reasoning and decisions are a reflection of his or her education, obtained in two ways: received and acquired. The education of professionals involves a set of assumptions, models, testing and validation of results. Emphasis is placed on education because it ensures that assignments are implemented with the auditor's objectivity and integrity at their core.

A professional auditor must comply with the fundamental principles listed in Figure 13.



**Figure 13. Fundamental principles for a professional auditor**

*Source: elaborated by the author based on [12]*

Assimilation, compliance, application of rules and principles ensure proper interpretation of information and synthesis of information. Accordingly, the information obtained is interpreted, resulting in the position, financial performance, changes in capital and cash flow. The auditor, by his actions, contributes to the decision-making chain of those concerned with the running of companies. The information is subject to numerous risks, which can influence the fairness and accuracy of the results obtained.

A quality audit has many determinants, among the factors that auditors can control are the education and training of the auditors. Sound auditor education is achieved through the application of and compliance with the International Education Standards (IES), and the International Education Standards Handbook developed by IFAC and IAESB to ensure the quality and consistency of accounting and auditing education globally. From the analysis it can be deduced that of the 130 countries around the world, the highest use of IESs is in Europe with a share of 37%, while Middle Asia has the lowest use, accounting for only 8%. Looking at how these standards have been adopted, most countries have opted for partial acceptance. In this respect, Middle Asia has a share of 10%, Europe 19% and Africa 33%. Based on the results of the questionnaire in Annex 15, in order to increase the skills and competencies of their employees, audit firms undertake various measures, such as continuous professional training of their staff (28.60%), evaluating staff performance and informing staff of their progress (23.80%), informing staff of the entity's policies and

procedures (23.80%), assigning responsibility for making promotion decisions (14.30%) and other measures (9.50%).

Currently, in the Republic of Moldova higher education institutions have initiated international recognition of study programs in accounting and auditing. Recognizing the need to improve the quality of the educational process, the Academy of Economic Studies of Moldova and the State University of Moldova apply the ACCA accreditation process for the bachelor and master degrees. Although there is a similarity and concordance between the curricula of the subjects in the curriculum, ACCA programs and the subjects of the Moldovan auditor qualification exam, theoretical and practical research allows us to conclude that an inadequate allocation of time and subjects for certain study directions, such as ethics and auditor behavior, information technologies in auditing and studies on stress resilience, conflict management and team decision-making processes, may have significant implications on the preparation of auditors and their performance in the audit profession. In order to optimise the audit education process, it is proposed to review the curricula by working closely with professional audit organisations and industry employers to review and update the curricula.

Pandemic-induced economic crises such as COVID-19 are impossible to predict compared to cyclical economic crises. This is why entities, including audit entities, were taken by surprise by the situation created. While in the first period it was thought that the pandemic would be short-lived, it turned out to be longer than expected. As a result, both public authorities and the business community took steps to adapt to the new conditions [142, p. 112].

During the COVID-19 pandemic, due to social distancing measures aimed at solving the health crisis, entities were forced to implement different techniques and practices to operate from home. As a result of the fact that clients were operating remotely, auditors had to adapt and conform to the newly created situation [145, p. 113].

The most common event influencing the general provisions on the liability of contracting parties is force majeure. Its occurrence allows the party not to perform its obligations under the contract and, at the same time, to limit its liability for non-performance. In this approach, three legal concepts applied to contractual relations in crisis situations were analysed: *fortuitous impossibility of performance*, *justification due to an impediment (previously - force majeure)*, *exceptional change of circumstances*, characterised by non-performance, temporary impossibility or postponement of performance of obligations.

After questioning the auditors using the questionnaire in Annex 13, it was found that the greatest difficulty faced by the auditors during the COVID-19 pandemic was accessing information to conduct the remote audit (28.6%), followed by lack of liquidity of clients for contracting audit services (23.8%), communication with clients (19%), non-compliance with contractual conditions (14.3%) and other difficulties (4.8%), i.e. approximately 4.8% had no difficulties in auditing clients during the COVID-19 pandemic. Generally speaking, these provisions are known, but with the new situation created by the COVID-19 pandemic, the need arose for their interpretation by state bodies in order to understand how to reflect and deduce them. It follows that auditors have an obligation to know them both for their own work and for the verification of these expenses/costs to clients.

Taking into account the recommendations of the European Commission for the Supervision of Auditors' Associations, the author has developed the guidelines and themes, applied by auditors in conditions of health crisis and emerging situations:

**Block 1. Communication with the client and organisation of the remote audit**

- Obtaining and collecting audit evidence;
- Taking stock and verifying the correctness of procedures and results;
- Analysing contracts with third parties;



- Assessment of the client's internal control system

**Block 2. Testing the application of principles**

- The auditor's conclusions on the going concern principle in relation to the entity's management representations;
- Analysis of subsequent events after the balance sheet date and their impact;

**Block 3. Review of valuations and balance sheet items, including contingent items**

- Valuation of assets and liabilities;
- Assessing how impairment of assets and fair values are determined;
- Valuation of losses related to credit resources;
- Currency and hedging risks;
- Other disclosure requirements

In relation to the health crisis and the war in Ukraine, it is necessary to assess the impact of events after the balance sheet date, to analyse doubts about the entity's ability to continue as a going concern and to comply with the audit procedures set out in ISA 570 "Going Concern Principle" and ISA 560 "Subsequent Events". A complex process is the assessment of pandemic losses, the potential risk of non-compliance with the going concern principle and the extent to which the entity falls under the criteria for receiving state aid and subsidies, or whether they plan to use such aid in the future. Emerging crisis situations also have an impact on significant new risks, such as liquidity and solvency, which requires the application of ISA 315 "Identifying and Assessing Risks of Material Misstatement by Understanding the Entity and Its Environment". The period of stress amplifies the risks associated with delaying financial and/or tax reporting, which implies an extended reporting period and, consequently, risks related to events that may occur between the date of preparation of the financial statements and the date of issuance of the audit report.

## CONCLUSIONS AND RECOMMENDATIONS

The executed investigations in the area of quality and supervision of audit work led to the following **conclusions**:

1. Auditing in the Republic of Moldova had its beginning on 26 June 1991, with the adoption of Government Decision No. 316 on the organization of auditing in the Republic of Moldova, which created the Audit Chamber of the Republic of Moldova. Subsequently, in 1996, the Audit Chamber was replaced by the Association of Audit Organizations by Law No. 729-XIII Law on Audit Activity. This restricted self-regulatory functions and did not make it compulsory for auditors and audit firms to be members. The Law on Audit Activity No 61-XVI of 2007 maintained the restrictions on self-regulation and the supervision of auditors' work became a state responsibility, financed from the state budget. The auditors' association has not obtained self-regulatory functions. In 2014, external quality control of audit work started to operate with the adoption of the Regulation on external quality control of audit work. A new stage in the development of financial auditing took place in December 2017 with the adoption of specific laws, such as the Law on the Audit of Financial Statements and the Law on Accounting and Financial Reporting. These legislative changes significantly influenced the financial audit landscape in the Republic of Moldova and introduced new rules and responsibilities for financial audit professionals.
2. The reliability of the audit oversight system and the quality of audit work can be analysed and, respectively, assessed to the extent that the focus is on the means of financing the system, the level of market concentration of statutory audit services, human resources, technical capabilities, internal organisation and other relevant components, in order to achieve a high level of oversight effectiveness. As a result of the investigations, it was concluded that the competitive market implies that there is a choice between different audit entities and auditors to engage in audit engagements at PIEs. At the same time, in the process of analyzing the configuration and main conditions of the reliability of the audit oversight system and the quality of audit work, we concluded that not only information concerning PIEs, but also information concerning non-PIEs, large entities, is of interest;
3. A comparative analysis of audit oversight systems implemented in EU Member States reveals significant differences between these systems, leading to the identification of four distinct institutional models of regulation. These models vary significantly in the degree of public control over the audit oversight system, ranging from self-regulatory organisations to those that are subject to regulation and administered entirely by government authorities. Although audit reforms in Europe were initiated by the creation of the PCAOB in the United States, EU Member States have not simply adopted the US regulatory model and its extensive powers in this area. As a result, the expansion of the new regulatory paradigm - from self-regulation to state oversight - has not led to a convergence of the institutional model and regulatory functions of public oversight bodies. In most countries, a form of supervision is used where a committee of an organisational structure of a professional institute invokes actual public representation, a concept known as "integrated supervision". The Republic of Moldova has accepted and implemented a system of regulation by a board - the Public Audit Oversight Board, whose work needs to be adjusted in some directions.
4. The current structure of the Public Audit Oversight Board does not accurately represent the diversity of the audit profession, as most of its members are appointed from state bodies, in particular the Ministry of Finance, the National Bank of Moldova and the National Financial Market Commission. This structure could affect the directions and strategies of the Public Audit Oversight Board in a way that reflects government priorities. Therefore, I suggest a new structure for the supervisory authority, including audit professionals as advisory or voting members, so that it has greater autonomy in decision-making and can address the needs and specificities of the audit industry in an appropriate way. This approach would ensure quality oversight of both audit entities and auditors in related fields such as banking and insurance audit, helping to reduce the risk of fraud in these sectors. We also believe that it is necessary to extend the control rights of the

professional body to cover all audit entities, whether they are members of the professional body or not.

5. Following the review of the accounting and internal control systems, the auditor should perform a preliminary assessment of the CR for each significant balance or category of economic transactions. Respectively, the auditor should obtain audit evidence through tests of controls to support any assessment of CR. The auditor is responsible for communicating to senior management significant weaknesses in the accounting and internal control systems, and after evaluating the internal control system, the auditor communicates in a letter to the entity's management or the internal audit committee the weaknesses discovered that may materially affect the financial statements or allow fraud. In addition, the professional training and continuing education of auditors is of paramount importance to the development of the audit profession;
6. The internal quality control policies and procedural framework within an audit firm have a significant impact on the quality of each audit, ensuring compliance with professional and quality standards. They must strictly comply with legal regulations to prevent possible sanctions and penalties and to increase the confidence of clients and other stakeholders. By establishing clear and well-defined policies and procedures, the audit firm can ensure uniformity and consistency in the approach to each audit, so that each audit is treated in an objective and fair manner, applying the same standards and criteria in all situations. These policies and procedures also play a key role in effectively identifying and managing the risks associated with the audit process, applying feedback and performance evaluation mechanisms, allowing weaknesses to be identified and continuous improvements to be implemented throughout the audit process.
7. A close analysis of the study programmes offered by higher education institutions and the requirements for admission to the profession, in line with the needs and expectations of employers in the audit industry. Inadequate allocation of time and subjects to certain areas of study, such as ethics and auditor behaviour, information technology in auditing, and studies of stress resilience, conflict management and team decision-making processes, can have significant implications for the preparation of auditors and their performance in the audit profession.
8. In the context of the COVID-19 health crisis, audit firms have adopted a number of guidelines and measures to ensure the quality of their work in an efficient way. Due to social distancing measures, entities have had to implement various remote operating techniques through digitisation processes. The pandemic crisis has also impacted on contractual relationships, with many contractors facing various problems in fulfilling their obligations to partners and customers, which they have assumed through long-term contracts concluded until the authorities put in place restrictive measures. The measures argued by the author include effective communication with clients and the organisation of remote auditing, careful assessment of accounting principles and business continuity, as well as rigorous verification of valuations and balance sheet items, procedures which help to adapt the audit process to new realities and provide accurate and relevant audit reports in these exceptional situations.

**The main scientific-applicational issues solved** by this research are the evolution of the system of quality supervision of audit work, describing its role and importance in the light of international practices in the field. It is demonstrated that not only information relating to PIEs, but also information relating to non-PIEs, large entities, is of interest. The principles and benchmarks of the audit quality oversight system and its documentation are addressed and a new structure of an independent oversight authority is proposed. Issues related to the design of the audit quality oversight system have been addressed and the concepts of materiality and audit risk for audit quality assurance have been developed. Ways to improve the education system in order to increase the quality of audit work were proposed, as well as solutions for quality assurance and audit supervision during the COVID-19 pandemic, such as telework.

Regarding the **unresolved issues** in this thesis, we believe that future researchers should further study the changes that have occurred in the audit oversight system and the quality of audit work in the post COVID-19 era, and investigate the opportunities and threats that will arise in this area. Another issue that needs further study is the alignment of the education system in institutions training future

accountants and auditors with the standards set by ACCA, which will give local specialists the opportunity to be recognised internationally.

On the basis of the above conclusions, we consider the following **recommendations** appropriate:

1. From a conceptual point of view, the examination of two interdependent but separate functions: *conformity and compliance*, allowed the quality of audit work to be defined in an adequate and reasoned manner. One of the fundamental aspects must include the need to comply with legal, professional and regulatory requirements, while on the other hand audit quality is largely influenced by the expectations of the users of audit services regarding the final outcome. In this research, the author has formulated his **own definition of audit quality**: *it is a level (measure) of performance and integrity in the audit process that consists of ensuring compliance with the expectations of key user groups, ensuring an appropriate level of confidence in the accuracy of audited financial information and rigorous compliance with professional auditing standards and ethical rules for auditors, including accepted auditing methods and the principles set out in the Code of Professional Ethics*;
2. The current structure of the Public Audit Oversight Board does not adequately reflect the diversity of the audit profession, as most of its members are appointed from among state bodies, with a focus on the Ministry of Finance, the National Bank of Moldova and the National Financial Market Commission. This structure could influence the Public Audit Oversight Board's guidelines and strategies in a way that better reflects government priorities. We propose a new structure for the oversight authority that includes audit professionals - certified financial auditors and audit entities - as advisory or voting members, so that it has greater autonomy in decision-making and can address the needs and specificities of the audit industry in an appropriate way. This approach would ensure quality oversight of both audit entities and auditors in related fields such as banking and insurance audit, helping to reduce the risk of fraud in these sectors. We also believe that it is necessary to extend the control rights of the professional body to cover all audit entities, whether they are members of the professional body or not.
3. We propose the structuring and standardization of additional examinations by the National Bank of Moldova and the National Financial Market Commission for auditor certification, revision of the curriculum with an extensive accreditation process by ACCA for the undergraduate degree offered by accounting departments of domestic universities. ACCA accreditation would foster the improvement of the curriculum and promote the quality of training of accounting professionals, stimulate competitive policies in the higher education environment. As a result, accounting and auditing faculties in domestic higher education institutions would be internationally recognised;
4. With reference to the EU Regulation, which focuses on the competent authorities supervising the work of statutory auditors and audit firms and stresses the need for secure funding free from undue influence from statutory auditors and audit firms, it is proposed to **review the funding mechanism**. Although the audit profession/state ratio is not contrary to European practice, it is proposed to implement a mixed funding scheme, established by law, including, for example, a 70% contribution from the audit profession and 30% from the state, so as to eliminate influences from both the audit profession and the state.
5. In order to optimise the educational process in the field of audit it is proposed to *review the curricula by working closely with professional audit organisations* and industry employers to review and update the curricula. This review should include a more equitable distribution of time and subjects to cover aspects of **auditor ethics and behaviour, information technology in auditing and the development of skills in stress resilience, conflict management and team decision-making**. Following on from this idea, it is suggested that a system of peer review of the performance of degree programmes be established, where audit regulators and educational institutions can work together to establish mechanisms for evaluating and providing advice on study programmes.
6. In order to improve the system of supervision of audit work, it is proposed to implement a **step-by-step scheme for the application of disciplinary measures** in case of identification, correction and prevention of irregularities in the audit process. This scheme has multiple benefits, providing a

framework to ensure transparency, fairness and consistency in the disciplinary process. It is also proposed to create a classifier of types of fraud and breaches, together with the exact sanctions for each type, for the audit regulator that would make auditors and auditees aware of how certain actions or omissions may affect their situation and what the exact consequences are, would ensure more consistent application of the rules across the audit industry to avoid divergent interpretations of the rules, could help prevent them, and stakeholders such as investors, shareholders and creditors could have confidence that appropriate action is taken in the event of fraud or breaches and that offenders are appropriately sanctioned.

7. It is proposed to create the **unified information resource on an electronic (web) portal**, where all stakeholders will have real-time access and the information will be publicly available based on data provided by the Public Audit Oversight Board, Ministry of Finance, National Bank of Moldova, State Tax Service. This electronic resource will ensure the integration of information from other public sources and updated in real time to reflect relevant legislative and regulatory changes. It will allow the creation of "portfolios" for auditors, access to performance reports of audit professionals, formation of a feedback system for stakeholders on results and quality. It is proposed to create on-site e-learning platforms for online courses and training on specific audit topics, including ethics and compliance, publish online assessment tests to help auditors assess their knowledge and gain recognition for their continuous professional development efforts, publish guides and educational resources, create on-site discussion forums and online communities.
8. We propose the introduction of the concept of teleworking as a way of organising work, whereby employees regularly and voluntarily carry out the duties specific to their function, occupation or trade in a place other than their conventional workplace, using information and communication technology. This concept would complement the rules on telework approved by local legislators and would allow telework to be applied in areas where the employee performs his or her specific tasks even at a location other than that organised by the employer, including in the audit sector. In addition, we propose that clauses on force majeure and exceptional circumstances be included in contracts between clients and audit firms, which could be applied in situations similar to the one generated by the pandemic crisis, given the similarities with the audit activity.

**Future research directions.** The author has identified the following future research directions by area:

*Research area 1:* Development and implementation of innovative methods and techniques for quality assessment of audit work. This may involve the use of emerging technologies such as artificial intelligence and data analytics to identify and assess risks and errors in the audit process.

*Research Area 2:* Examine the effectiveness of oversight and internal control mechanisms within audit firms. Thus, it could assess how these mechanisms work in practice and propose to create to ensure more effective oversight of audit work.

The results of the research constitute a significant contribution to the development of theory and practice in the field of quality and supervision of audit work. They generate a favourable impact on increasing quality and effectiveness in the area of quality and oversight of audit work in order to monitor risks, achieve managerial objectives and increase the performance of the audit entity. However, it is important to continue research in this area to ensure that the audit process remains robust and continues to improve.

## BIBLIOGRAPHY

1. Accountancy Europe, Member States' implementation of the 2014 Audit Directive and Regulation, as of February 2019, Power Point Presentation. [online]. [citat 24.08.2020]. Disponibil: [www.accountanceurope.eu](http://www.accountanceurope.eu);
2. BOTEZ, D. Studiu privind necesitatea elaborării unui model al riscului de audit. În: *Audit financiar*. 2015, nr. 5, pp. 3-8. ISSN 1583-5812;
3. BRÎNDUȘE, A. I., BUNGET, O.-C. Procesul bugetar în contextul pandemiei de COVID-19. In: *Audit financiar*. 2021, nr. 2 (162), pp. 254-262. ISSN 1844-8801;
4. CHERSAN, I.C. Calitatea în audit și unii dintre determinanții ei. În: *Audit financiar*. 2019, nr. 1 (153), pp. 93-105. ISSN 1844-8801;
5. CIOBANU, V. *Supravegherea activității de audit – oportunitate pentru Republica Moldova* [online]. [citat 15.08.2021]. Disponibil: <https://www.contabilsef.md/ro-supravegherea-activit-ii-de-audit-oportunitate-pentru-republica-moldova-ru-en-49129/>
6. International Forum of Independent Audit Regulatoris. [online]. [citat 11.07.2020]. Disponibil: <https://www.ifiar.org>;
7. GRUMEZA, Dumitru. Controlul calității în auditul financiar: aspecte importante. În: *Conferința Științifică Internațională „Contabilitatea și profesia contabilă în era provocărilor”, 5-6 aprilie 2017*. Chișinău: ASEM, 2017, pp. 289-295. ISBN 978-9975-127-50-9;
8. HAȚEGAN C.-D. „Auditarea” auditorilor - supravegherea: necesitate sau obligativitate? În: *Audit financiar*. 2020, nr. 1 (157), p. 18-35. ISSN 1583-5812;
9. MANOLI, Mihail. Reflecții privind calitatea lucrărilor de audit. In: Conferința Științifică Internațională consacrată celei de-a 25-a aniversări a ASEM „25 de ani de reformă economică în Republica Moldova: prin inovare și competitivitate spre progres economic”, 23-24 septembrie 2016, vol.4, Chișinău, ASEM, 2016, p. 72-77. ISBN 978-9975-75-838-3;
10. Regulamentul privind controlul extern al calității: Decizia Consiliului de Supraveghere Publică a Auditului nr. 17 din 14 august 2019. În: Monitorul Oficial al Republicii Moldova [online]. 2019, nr. 230-237 [citat 20.06.2021]. Disponibil: [https://www.legis.md/cautare/getResults?doc\\_id=117021&lang=ro](https://www.legis.md/cautare/getResults?doc_id=117021&lang=ro);
11. IACHIMOVSCI, Anatol, GRUMEZA, Dumitru. Cadrul normativ actual privind supravegherea publică a calității activității de audit în Republica Moldova. În: *Conferința Științifică Internațională „Competitivitatea și inovarea în economia cunoașterii”, 27-28 septembrie 2019*, Chișinău, ASEM, 2019, pp. 507-514. ISBN 978-9975-75-968-7;
12. Regulamentului privind controlul extern al calității lucrărilor de audit: Ordinul MF nr. 43 din 24 martie 2014. În: Monitorul Oficial al Republicii Moldova [online]. 2014, nr. 92-98 [citat 09.06.2021]. Disponibil: [https://www.legis.md/cautare/getResults?doc\\_id=121148&lang=ro](https://www.legis.md/cautare/getResults?doc_id=121148&lang=ro);
13. **RENCECI, D.** Repere istorice privind instituirea sistemului de supraveghere publică a activității de audit din Republica Moldova. În: *Economica*, iunie 2021, An. XXIX, nr. 2 (116), pp. 107-121, ISSN 1810-9136;
14. **RENCECI, D.** Actualitatea, rolul și importanța sistemului de supraveghere a auditului prin prisma reperelor istorice. În: Conferința Științifică Internațională „Paradigme moderne în dezvoltarea economiei naționale și mondiale” din 30-31 octombrie, Chișinău, USM, 2020, pp. 290-295. ISBN 978-9975-152-70-9;
15. **RENCECI, D.** Analiza configurației și a principalelor condiții ale asigurării fiabilității sistemului de supraveghere a activității și calității lucrărilor de audit. În: Conferința Științifică Internațională „Paradigme moderne în dezvoltarea economiei naționale și mondiale” din 1-2 noiembrie, Chișinău, USM, 2019, pp. 88-95. ISBN 978-9975-149-73-0;
16. Vuță M., Vuță M. Controlul Calitativ al Activității De Audit. In: *Annales Universitatis Apulensis Series Oeconomica* [online]. 2006, vol. 1, nr. 8 [citat 01.12.2020]. ISSN 1454-9409. Disponibil: <http://www.uab.ro/oeconomica/>;
17. WEDEMEYER, P. D. A discussion of auditor judgment as the critical component in audit quality – A practitioner's perspective. In: *International Journal of Disclosure and Governance*. 2010, no. 7 (4), pp. 320–333. ISSN 1741-3591.

## LIST OF THE AUTHOR'S SCIENTIFIC PUBLICATIONS ON THE TOPIC OF THE THESIS

1. **RENCHECI, Diana.** *Problematic aspects regarding creation of system for supervision of activity and quality of audit works.* În: *European Journal of Accounting, Finance & Business*, 2021, volume XVI, issue XXVI, pp.19-31, ISSN 2344-102X, 0,6 c.a. Indexat în: Research Papers in Economics – RePEc, Directory of Research Journals Indexing – DRJI, Open Academic Journals Index OAJI, J-Gate, ERIH PLUS, Index Copernicus. Disponibil:<http://www.accounting-management.ro/index.php?pag=showcontent&issue=26&year=2021>.
2. **RENCHECI, Diana.** *International practices in audit supervision* În: *Ecoforum*, volume 10, issue 3 (26), 2021, pp.1-4, ISSN 2344-2174. 0,53 c.a. Indexat în: RePEC, Central and Eastern, European Online Library, Ulrich's™ Serials Analysis System, Base, Open Academic Journals Index, Citefactor. Disponibil: <http://www.ecoforumjournal.ro/index.php/eco/article/view/1254/767>.
3. **RENCHECI, Diana.** *Reflections on the Functioning of the Supervision System of the Audit Activity in the Republic of Moldova.* În: *Annals of "Dunarea de Jos" University of Galati. Fascicle I. Economics and Applied Informatics*, no. 2, 2021, pp.23-30, ISSN 1584-0409, 0,54 c.a. Indexat în: BDI, ERIH+, EconLit, Repec, Doaj, Ebsco, Ulrich, Econis, ZBW. Disponibil:[http://www.eia.feaa.ugal.ro/images/eia/2021\\_2/DianaRencenci.pdf](http://www.eia.feaa.ugal.ro/images/eia/2021_2/DianaRencenci.pdf).
4. CAUS, Lidia, **RENCHECI, Diana.** *Approaches regarding the general planning of the internal audit activity.* În: *European Journal of Accounting, Finance & Business*, 2023, volume 11, issue 2, pp.35-43, ISSN 2344-102X, 0,51 c.a. Indexat în: Research Papers in Economics – RePEc, Directory of Research Journals Indexing – DRJI, Open Academic Journals Index OAJI, J-Gate, ERIH PLUS, Index Copernicus. Disponibil: <http://www.accounting-management.ro/index.php?pag=showcontent&issue=32&year=2023>
5. SOIMU, Sergiu, BADICU, Galina, **RENCHECI, Diana,** *Requirements for Audit Firms Regarding the Prevention and Combating of Money Laundering* În: *Ovidius University Annals Economic Sciences Series*, 2023, volume XXIII, issue 1, pp.1094-1102, ISSN 2393-3127, 0,4622 c.a. Indexat în: EBSCO host, Cabell's Directories, Repec, Doaj, Ulrichs Web, J- Gate, Erih Plus, Index Copernicus, Scientific Indexing Services, INFOBASE INDEX, ResearchBib, Directory Research Journals Indexing. Disponibil: <https://stec.univ-ovidius.ro/html/anale/RO/ovidius-university-annals-economic-sciences-series-volume-xxiii-issue-1>
6. **RENCHECI, Diana.** *Repere istorice privind instituirea sistemului de supraveghere publică a activității de audit din Republica Moldova.* In: *Economica*, An. XXIX, nr. 2 (116), iunie 2021, pp.107-121, ISSN 1810-9136, categoria B, 0,67 c.a Indexat în: DOAJ, Index Copernicus, Electronic Journals Library, OAJI, General Impact Factor, Global Impact Factor Disponibil: [https://ase.md/files/publicatii/economica/ec\\_2021\\_2\\_v2.pdf](https://ase.md/files/publicatii/economica/ec_2021_2_v2.pdf).
7. **RENCHECI, Diana.** *Challenges and solutions regarding the quality and supervision of audit during the COVID-19 pandemic.* În: *Journal of Social Sciences. Fascicle Social Science. Topic Finance and Accounting*, vol. IV, no. 4, 2021, pp.112-118, ISSN 2587-3490, categoria B+, 0,61 c.a. Indexat în: DOAJ, AGRIS, EBSCO, IBN, Zenodeo. Disponibil:[https://jss.utm.md/wp-content/uploads/sites/21/2021/12/JSS-4-2021\\_112-118-10.52326jss.utm\\_2021.44.12.pdf](https://jss.utm.md/wp-content/uploads/sites/21/2021/12/JSS-4-2021_112-118-10.52326jss.utm_2021.44.12.pdf).
8. **RENCHECI, Diana.** *Analiza configurației și a principalelor condiții ale asigurării fiabilității sistemului de supraveghere a activității și calității lucrărilor de audit.* În: Conferința Științifică Internațională „Paradigme moderne în dezvoltarea economiei naționale și mondiale” din 1-2 noiembrie, Chișinău, USM, 2019, pp.88-95, ISBN 978-9975-149-73-0, 0,58 c.a. Disponibil: [https://ibn.idsi.md/sites/default/files/imag\\_file/15-15b.pdf](https://ibn.idsi.md/sites/default/files/imag_file/15-15b.pdf).
9. **RENCHECI, Diana.** *Actualitatea, rolul și importanța sistemului de supraveghere a auditului prin prisma reperelor istorice.* În: Conferința Științifică Internațională „Paradigme moderne în dezvoltarea economiei naționale și mondiale” din 30-31 octombrie 2020, Chișinău, USM, pp.290-295, ISBN 978-9975-152-70-9, 0,47c.a. Disponibil:[https://ibn.idsi.md/sites/default/files/imag\\_file/2.%2BConferinta\\_Intern\\_Paradigme\\_moderne\\_2020.pdf](https://ibn.idsi.md/sites/default/files/imag_file/2.%2BConferinta_Intern_Paradigme_moderne_2020.pdf).
10. **RENCHECI, Diana.** *Main principles as applicable to development of the system of supervision over the activities and quality of audit services.* In: International Scientific Conference „Development Through Research and innovation”, August 28th, 1th ed., Chișinău, ASEM, 2020, pp.134-139, ISBN 978-9975-155-03-8, 0,47 c.a. Disponibil: [https://irek.ase.md/xmlui/bitstream/handle/1234567890/1333/Rencenci\\_D\\_Conference-Proceedings-28-AUGUST-2020.pdf?sequence=1&isAllowed=y](https://irek.ase.md/xmlui/bitstream/handle/1234567890/1333/Rencenci_D_Conference-Proceedings-28-AUGUST-2020.pdf?sequence=1&isAllowed=y) .
11. **RENCHECI, Diana.** *Asigurarea fiabilității sistemului de supraveghere a activității și calității lucrărilor de audit - principii de bază și analiza configurației acestuia*, Certificat de înregistrare a obiectelor dreptului de autor și drepturilor conexe nr. OȘ 7550, din 29.05.2023. Eliberat de AGEPI. Disponibil: [Rezultate \(agepi.md\)](#), [Detalii \(agepi.md\)](#)

## ADNOTARE

**Renhecki Diana, „Noi direcții privind calitatea și supravegherea lucrărilor de audit”,  
teză de doctor în științe economice, Chișinău, 2023**

**Structura tezei:** adnotare, introducere, trei capitole, concluzii și recomandări, bibliografie din 159 titluri, 29 anexe, 148 pagini text de bază, 41 figuri și 18 tabele. Rezultatele obținute sunt publicate în 11 lucrări științifice.

**Cuvinte-cheie:** audit, supravegherea lucrărilor de audit, calitatea lucrărilor de audit, politici și proceduri de control a calității, elemente ale controlului calității, prag de semnificație, denaturări semnificative, evaluarea denaturărilor semnificative.

**Domeniu de studii:** audit.

**Scopul lucrării** constă în investigarea complexă a aspectelor teoretice și aplicative aferente calității și supravegherii lucrărilor de audit în vederea identificării posibilităților de creștere a calității și eficacității lucrărilor de audit și fundamentării direcțiilor de perfecționare a acestora.

**Obiectivele cercetării:** argumentarea elementelor fundamentale privind conceptul „calitatea lucrărilor de audit” și „supravegherea lucrărilor de audit”, investigarea practicilor internaționale în ceea ce privește supravegherea calității lucrărilor de audit, testarea și dezvoltarea conceptelor pentru stabilirea pragului de semnificație și a riscului de audit în scopul asigurării calității lucrărilor de audit, identificarea aspectelor problematice în conceperea sistemului de supraveghere a calității lucrărilor de audit și evaluarea impactului activității autorităților de supraveghere a calității lucrărilor de audit, identificarea nevoi de perfecționare a sistemului de educație și pregătire profesională în domeniul auditului, cercetarea provocărilor specifice și a soluțiilor inovatoare pentru asigurarea calității și supravegherii lucrărilor de audit în perioade de stări emergente și digitalizare a auditului.

**Noutatea și originalitatea științifică** rezidă în fundamentarea procedurilor de structurare a politicilor și procedurilor de control al calității lucrărilor de audit, evidențiind aplicarea unor aspectele privind practicile internaționale inovatoare în supravegherea calității lucrărilor de audit, argumentarea cadrului instituțional și educațional și impactul activității autorităților de supraveghere asupra calității lucrărilor de audit, argumentarea soluțiilor de consolidare a calității auditului în situații emergente și tehnologiilor informaționale inovatoare.

**Rezultatele obținute ce contribuie la soluționarea unei probleme științifice importante** reiese din obiectivele tezei și constau în argumentarea și dezvoltarea unui sistem de supraveghere eficient prin revizuirea structurii și atribuțiilor autorității de supraveghere și optimizarea procesului de stabilire a pragului de semnificație și a riscului de audit, asigurându-se astfel o monitorizare și evaluare mai precisă a calității lucrărilor de audit. Soluționarea acestor probleme a demonstrat avantajele recomandărilor formulate în teză și impactul semnificativ asupra calității efective a lucrărilor de audit, ceea ce a condus la o îmbunătățire generală a standardelor în industria de audit.

**Semnificația teoretică și valoarea aplicativă** rezultă din concluziile și recomandările enunțate în raport cu problematica cercetată, aceste îndrumări contribuind la perfecționarea supravegherii activității de audit, calității interne și externe a lucrărilor de audit.

**Implementarea rezultatelor științifice** indică asupra valorii practice a lucrării științifice, o parte din recomandări fiind acceptate spre implementare de un șir de entități de audit, la fel, informațiile pot fi utilizate în procesul didactic al instituțiilor de învățământ cu profil economic.



## ANNOTATION

**Diana Renchei, „New Directions on Audit Quality and Oversight”,  
PhD thesis in economic sciences, Chişinău, 2023**

**Thesis structure:** annotation, introduction, three chapters, conclusions and recommendations, bibliography of 148 titles, 29 appendices, 148 pages of basic text, 41 figures and 18 tables. The results are published in 11 scientific papers.

**Keywords:** audit, supervision of audit work, quality of audit work, quality control policies and procedures, elements of quality control, materiality threshold, significant distortions, assessment of significant distortions.

**Field of study:** audit.

**The purpose of the work is to investigate** in a comprehensive manner the theoretical and applied aspects of audit quality and oversight in order to identify opportunities for increasing the quality and effectiveness of audit work and to provide a basis for directions for improvement.

**The objectives of the research.** To argue the fundamentals of the concept of "audit work quality" and "audit work oversight", to investigate international practices in audit work quality oversight, to test and develop concepts for determining materiality and audit risk for the purpose of audit work quality assurance, identification of problematic issues in the design of the system of supervision of the quality of audit work and assessment of the impact of the work of audit quality supervision authorities, identification of needs for improvement of the system of education and training in the field of audit, research of specific challenges and innovative solutions for quality assurance and supervision of audit work in times of emerging states and digitisation of audit.

**The scientific novelty and originality** lies in the substantiation of the procedures for structuring policies and procedures for quality control of audit work, highlighting the application of aspects of innovative international practices in the supervision of the quality of audit work, arguing the institutional and educational framework and the impact of the work of supervisory authorities on the quality of audit work, arguing solutions for strengthening the quality of audit in emerging situations and innovative information technologies.

**The results obtained, which contribute to solving an important scientific problem,** are based on the objectives of the thesis and consist in arguing and developing an efficient supervisory system by reviewing the structure and tasks of the supervisory authority and optimising the process of establishing the materiality threshold and the audit risk, thus ensuring a more accurate monitoring and assessment of the quality of audit work. Addressing these issues has demonstrated the benefits of the recommendations made in the thesis and the significant impact on the actual quality of audit work, leading to an overall improvement of standards in the audit industry.

**The theoretical significance and application value results** from the conclusions and recommendations stated in relation to the researched issues, and these guidelines contribute to the improvement of audit oversight, internal and external quality of audit work.

**The implementation of the scientific results** indicates the practical value of the scientific work, some of the recommendations have been accepted for implementation by a number of audit entities, and the information can be used in the teaching process of educational institutions with an economic profile.

## АННОТАЦИЯ

Диана Ренкечъ, «Новые направления в области качества аудита и надзора»,  
Кандидатская диссертация по экономическим наукам, Кишинев, 2023 г.

**Структура диссертации:** аннотация, введение, три главы, выводы и рекомендации, библиография из 149 наименований, 29 приложений, 148 страниц основного текста, 41 рисунка и 18 таблиц. Полученные результаты опубликованы в 11 научных статьях.

**Ключевые слова:** аудит, надзор за аудиторской работой, качество аудиторской работы, политика и процедуры контроля качества, элементы контроля качества, существенность, существенные искажения, оценка существенных искажений.

**Область исследований:** аудит.

**Цель работы** - комплексно исследовать теоретические и прикладные аспекты качества и контроля аудиторской работы для выявления возможностей повышения качества и эффективности аудиторской работы и обоснования направлений ее совершенствования.

**Задачи исследования:** Аргументировать основы понятия "качество аудиторской работы" и "надзор за аудиторской работой", исследовать международную практику надзора за качеством аудиторской работы, апробировать и разработать концепции определения существенности и аудиторского риска для целей обеспечения качества аудиторской работы, выявление проблемных вопросов при построении системы надзора за качеством аудиторской работы и оценка влияния работы органов надзора за качеством аудита, выявление потребностей в совершенствовании системы образования и подготовки кадров в области аудита, исследование конкретных задач и инновационных решений по обеспечению качества и надзору за аудиторской работой в условиях становления новых государств и цифровизации аудита.

**Новизна и научная оригинальность** заключается в обосновании процедур структурирования политики и процедур контроля качества аудита, освещении применения аспектов инновационной международной практики надзора за качеством аудита, аргументации институциональных и образовательных основ и влияния работы надзорных органов на качество аудиторской работы, аргументации решений по усилению качества аудита в возникающих ситуациях и инновационных информационных технологиях.

**Полученные результаты, способствующие решению важной научной проблемы,** вытекают из поставленных в диссертации задач и заключаются в аргументации и разработке эффективной системы надзора путем пересмотра структуры и задач надзорного органа и оптимизации процесса установления порога существенности и аудиторского риска, что обеспечивает более точный контроль и оценку качества аудиторской работы. Решение этих вопросов показало пользу рекомендаций, сформулированных в диссертации, и значительное влияние на фактическое качество аудиторской работы, что привело к общему повышению стандартов в аудиторской отрасли.

**Теоретическая значимость и прикладная ценность** вытекает из выводов и рекомендаций, сделанных по исследуемым вопросам, и эти рекомендации способствуют совершенствованию надзора за аудиторской деятельностью, повышению внутреннего и внешнего качества аудиторских работ.

**Внедрение научных результатов** свидетельствует о практической ценности научной работы, часть рекомендаций принята к внедрению рядом аудиторских организаций, аналогичным образом информация может быть использована в учебном процессе образовательных учреждений экономического профиля.

**RENCHECI DIANA**

**NEW DIRECTIONS ON AUDIT QUALITY AND OVERSIGHT**

**Scientific speciality: 522.02 - ACCOUNTING; AUDIT; ECONOMIC ANALYSIS**

Summary of the PhD thesis in economics

---

Approved for printing: 18.09.2023

Paper format A4, Offset paper.

Offset printing.

Print run 40 copies.

Printing Colours.: 2,39

---

Editorial-Poligraphic Service of the Academy of Economic Studies of  
Moldova, MD-2005, Chisinau municipality, 61 G. Bănulescu-Bodoni Street,  
Telephone: 022 402 936