



INDEPENDENT AUDITING DEVELOPMENT TENDENCIES

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Abstract. Different countries of the world face some misunderstandings or even scandals concerning the inappropriate information about financial problems in different companies, which, in its turn, decreases society's confidence in independent auditing and encourages discussions on the role of auditing in economy. EU, international trade unions, governments make great efforts to improve the quality of independent auditing.

The article investigates the functions of auditors, factors influencing the auditing state, the reasons for fraud of financial statements, motives and means, the efforts of international organizations and governments to improve the auditing quality and unsolved auditing problems.

Keywords: aggressive accounting policy audit report, auditor's conclusions, forgery of financial statements, independent auditing, international auditing standards.

1. Introduction

Within a long period of independent auditing development, auditing objectives run underwent many changes. At the very beginning the main auditing objectives were: to disclose errors and fraud, later the fairness of entry for ledges books was analysed starting with the 20th century in the fourth decade the principal objective of auditing was the confirmation of reliability of financial statements.

The technique of auditing undergoes quick changes adapting to fast conversion of circumstances. Very great changes were observed at the end of the 20th century and they are still in force. The changes were due to complicated economic activity and greater internationalization of economic relationships. In order to reveal and adequately evaluate the process in the companies, more skilled auditors are required.

On the other hand, not willing to spend big amounts of money to pay for auditor's services and increasing competition among auditing companies, the auditors are forced to rationalize their work. Because of this simplicity the auditing quality suffers.

The situation is becoming more complicated because auditing activity, which is considered to be the secondary one, compared to the economic activity, finds it difficult to quickly react

to changes in economic life. It sometimes happens that the society's expectations surpass auditing possibilities and then disillusion occurs, the reliability on auditing and auditors decreases. Such a situation offers the collapse of well-known auditing companies both in the USA and Europe, especially the collapse of one of the biggest auditing companies Arthur Andersen.

These circumstances influenced the international organizations, governments and society to evaluate the problems and auditor's job repeatedly and take up certain measures to avoid similar problems in the future. Some international auditing standards and the code of ethics were resumed. The European Union approved a new directive. Lithuania, as well, approved a some normative acts, which to some extent influence auditing activity. The objective of the article is to investigate audit development tendencies and factors.

The object of investigation is auditing practice, laws, international and national auditing standards and other normative acts.

The method of investigation – research literature, laws, standards and analysis of other standard deeds, and comparison, logical analysis, critical assessment and generalization. While evaluating tendencies of auditing development, the contemporary literature in Lithuanian, English, Polish and Russian was used. The state of auditing procedures and objectives were investigated.

2. Analysis of auditor's functions, duties and responsibilities

Auditing activity is regulated by international and the country's legal acts. The principal international documents are international auditing standards, professional code of ethics for professional accountants, European Union directives. Auditing activity in Lithuania is regulated by the auditing law, national auditing standards, documents confirmed by the chamber of auditors. Auditing performance can be influenced indirectly by other laws and other normative acts. Auditing in Lithuania can be performed under national or international standards, depending on the terms of contract.

There is but a small difference between international and national auditing standard requirements. The comparison of international auditing functions, duties and liabilities (responsibilities) according to the international regulations and Lithuanian legal norms are presented in Fig. 1.

It can be seen from the presented table of comparisons, that the most important thing which is required from the auditors is to present their well-grounded opinion on financial statements. But, on the other hand, it is stated that because of the inevitable risk, the auditor's opinion does not guarantee the correctness of the financial statements. To some extent it diminishes the value of auditor's work. Scientific literature presents very clear idea on this issue. E.g. representative of the English accountability traditions Cossersal G. writes that "before auditors can form an opinion on whether or not the company's financial statements are properly drawn up, an audit must be carried out, with due consideration given to proper procedures in relation to the possibility of fraud, error and other irregularities" (Cossersal 2004).

D. Krzywda, who presents continental accountability traditions, follows the same opinion. He writes that an audit of financial statements encompasses not only its investigation but also the proposals about certain adjustments, and the opinion about its reliability (Krzywda 2005).

International legal norms	Lithuanian legal norms
The aim of financial statements auditing is to allow the auditor to express his/her opinion whether the financial statements are prepared following the stated regulations.	The aim of auditing is to evaluate whether the financial statements and consolidated financial statements in every situation presents reliable and correct financial information enterprise activity and cash flows, evaluated and prepared following the legal acts in operation and to assess whether the data presented by the board of a company on company's activity correspond to the data of financial statements.
Auditor's opinion does not guarantee the exactness of financial accountability, therefore some risk exists, because distortion of very important information is not revealed.	Because of tests and some audit accountability and interval audit restrictions, risk exists that some distortion of information was not observed.
The auditor must pay attention to the fact, that because of fraud of errors in financial statements, some important distortions are possible.	The audit must present sufficient assurance that a financial statement does not present any distortion.
The company's managers must bear the responsibility for fraud and prevention of errors. The auditor is not liable for fraud and error prevention.	The auditor has the right to form and express his/her opinion about financial statements. The audit does not have any right to condone the managers from liability. The auditor is not liable for possibility of distortions, which might not be important for financial statements.
The auditor having detected important distortions because of fraud or errors must inform the company managers and top managers, and in particular cases, legal institutions.	Confidentiality is not taken into account when the auditor has to appear as witness in the court, or answer the questions presidium of the chamber of auditors or representatives, or inform the other auditor about the auditing results.
Following the auditing results, the auditor's conclusion is presented.	Following the auditing results, the auditor's conclusion and, in some cases, auditing report following the laws of the Republic of Lithuania is presented.

Fig. 1. Comparison of auditor's functions, duties and responsibilities

Moreover, alongside with the international and national normative acts analysis regulating auditing performance and auditor functions, liabilities and duties, Lithuania has passed some normative acts, which indirectly influence this work: it is money laundering prevention law of the Republic of Lithuania (Lietuvos Respublikos...2003) and other documents supporting this law.

The auditors, in the above-mentioned law are responsible for money laundering prevention implementation. The article No 9 in this law, obligates the auditors, who ascertained the fact, that their client is engaged in some suspicious activities with money, have the right to stop this operation and within 3 working hours to inform the Financial Crime Investigation Service. According to the above-mentioned law, the Chamber of Auditors and Financial Crime Investigation Service agreed on the criteria, under which the activity is considered suspicious (Kriterijų...2005).

Some customer operations in the company are mentioned, which do not comply with the registered company's activity and ordinary cooperation with the audit enterprise, when

payments are done using damaged banknotes, when such banknotes are exchanged or put into account, or when a client using foreign credit card withdraws from the account in foreign banks within 7 working days 100 000 Litass or even a bigger amount of money or its equivalent in foreign currency.

The auditor, neither from the professional or organizational point of view, is unable to fulfil the requirement, because to perform the above-mentioned activity he/she has to get permission. An auditor has no means either to stop or even know about such operations, because auditing is performed after a certain period of time when the economic operation had been performed.

3. Factors influencing the auditing

The analysis of auditing state reasons and present generalization of existing problems, which indicate that all the reasons can be divided into two parts: global and organizational. The global problems comprise the society’s expectations. Investors and society hope for better results. If the improvement of results is slower than expected or became even worse, then the companies face big financial difficulties and the managers risk of losing their jobs. It leads to fraud of financial statements. On the other hand, there are many more reasons why financial statements are forged. Very often financial statements are forged because of the complicated situation before the crisis, which occurs because of the unsuitable evaluation of competition or investment. The investors do not agree on the fact that the value of shares goes down. Any information connected with just a slight failure can bear serious consequences. That is why nobody speaks about failures, and the society faces only optimistic information. The aims and motives of financial statements forgery and means how to overcome them are detailed in Fig. 2.

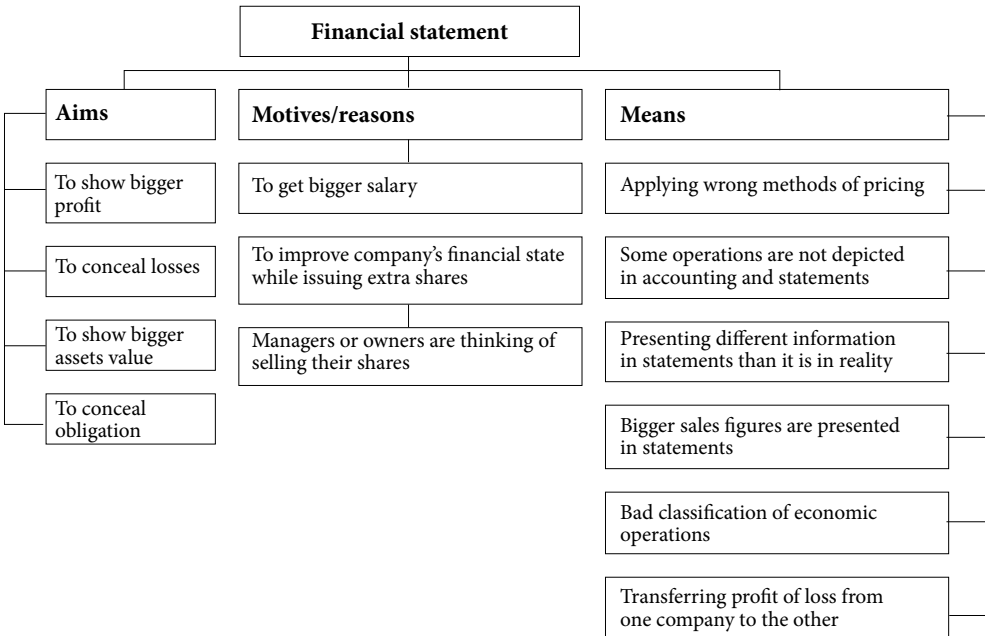


Fig. 2. Company financial statements forgery: its aims, motives and means

It is defined that the forgery of financial statements occurs in the companies which are financed via the Stock Exchange Market (in the English speaking countries) and not very often, when the company’s activities are financed by bank credits (in the European countries) (Wąsowski 2005).

Some circumstances can be very positive for forgery of financial statements. It can be connected with a weak internal control system, when the members of the supervisory council do not understand properly the importance of financial statements.

When the return on capital is big, the competition is also very big, because of the movement of capital is observed there and shortly, the market regulates the return. However, because of the free movement of capital to the branches, where profitability is higher, profit achieves an average level, but the company does not want to show it; so there is a probability that only a part of income is depicted in the documents.

Financial statements of the companies, which are members of formal or informal amalgamation, must be evaluated with great caution. Financial links within complicated structure amalgamations can be unclear.

Sometimes intermediary companies are established, which task is to show profit which does not exist, and losses are hidden. The authorized capital of such intermediaries is minimal; they can function in the rented premises and use equipment which is bought on leasing.

Financial information can be distorted if the chosen accounting policy is not correct. Recently, a new term appeared - “aggressive accounting”. It is aggressive in that case, when the company chooses such accounting methods, which help one to get the desired financial results (Kutera *et al.* 2006). The examples of accounting policy are presented in Fig. 3.

Auditing is business the customers a client. If the auditor assesses the situation very strictly, the client has the right to choose another auditor. But, the new directive of the European Union (Directive...2006), to some extent should slow down the process, if breaching audit services contract because of the disagreements between an auditor and company under au-

Operations	Conservative accounting	Aggressive accounting
Depreciation calculation	Accelerated way	Straightforward proportional way
Inventory evaluation	LIFO (if prices increase)	FIFO (if prices increase)
Amortization calculation	Short period of time	Longer period of time
Doubtful debt evaluation	Real amount	Small amount
Reserve for after sales maintenance	Real amount	Small amount
Tangible asset reconstruction and renovation some hesitation connected with it: whether it improves the asset quality and prolongs servicing time	Work value is acknowledged at the cost of accounting period	Work price increases the price of purchasing asset

Fig. 3. The examples of aggressive and conservative accounting policy

diting, but all contracts have validity date and nobody forbids the client to choose another auditing company, after the contract date had expired.

There are cases, when the auditing company does not want to loose a client, but its financial situation is worsening, then the auditors themselves consult the enterprises on how to counterfeit financial statements.

Namely such a situation did not presently existing auditing company Arthur Anderson which audited Enron Company.

Global reasons having an impact on auditing state doe not depend on audit companies. To eliminate them or bring some changes can be done if the market environment changes, or by international contracts or laws issued in different countries. But it does not mean that there might not be some new factors influencing the auditing state.

Organizational reasons greatly depend on future auditing acts and application of procedures.

The other reason might be the international audit standard vagueness which is connected with collection of information, generalization and presenting it to the customer.

The audit in the companies is performed by independent auditors and state auditors. Sometimes it happens that both (independent and state) auditors audit the same companies, but their goals are different.

According to declaration of International Organization of Supreme Audit Institution in Lima, principles of auditing article No 6 part 6 the goals of the highest auditing institutions are: legal background of financial management, correctness, economics, efficiency and results (Tarptautinés...2004).

In the 200 – international independent audit standard it is said that the objective of the financial accounting auditing is to enable auditors to express their opinion whether the financial statements in all possible ways comply which the requirements of the financial auditing (Buhalteriniq...2005). Many countries of the world can be proud of one level of skilled auditors, but some of them perform auditing, consolidated financial statements, companies having complicated structural background and the other auditors audit average and not structurally complicated companies. To perform auditing in different companies, auditors having different skills are invited to these companies. The highest qualification should have the auditors who perform very complicated auditing, the others need to have skills which comply with the type of work. Therefore, payment for auditing could be solved, because the auditors having lower qualifications should be paid less.

At present every country states the requirements for people who want to become auditors. The EU countries follow the directives of the European Parliament and the European Council (2006/46/EC May 17, 2006) on Statutory audit of annual accounts and consolidated accounts.

The directive presents a requirement that a candidate applying for an auditor's job, should have 3 years work experience in checking financial statements and not less than 2 years experience in auditing company. Because of such requirement, accountants having a big work experience can apply for auditor's job only theoretically, because only few of them can agree to be auditor's assistant for 3 years. Having no accounting experience, it makes difficult to gain the auditor's qualification.

4. The assessment of efforts while improving the audit quality

Reacting to events, because of financial statements forgery and audits which were performed inadequately and because of that many companies went bankrupt in US and Europe, some measures were taken in order to prevent such errors. Very important document, the goal of which is to return the trust of investors is Sarbanes Oxley Act, which was passed on July 30, 2002 by USA Congress. The main factor of the law is that there is a vivid distinction between the functions of auditing and consultation. The Securities and Exchange Commission can prohibit fulfilling managerial functions in companies to the end of their life. The level of liability for manipulation of financial statements threatens the imprisonment up to 10 years for rendering a false information by phone or by post the penalty is up to 20 years of imprisonment.

Punishment for fraud, which is connected with securities, is 25 years of imprisonment. Audit companies will have the possibility to audit the financial statements of the same client, not longer than 5 years running.

The directive No 8 is changed in the European Union. New directive of the European Parliament and Council 2006/43/EC on Statutory audit of annual accounts and consolidated accounts is different, to a great extent, from the 8Th directive which was in force. It foresees that auditing must comply with the international auditing standards, which are approved by the European Commission. One can follow the national auditing standards if there is no international standard.

Member countries can supplement the requirements of international standards or, in specific cases, tell the auditors not to follow certain requirements to inform Commission on that issue or other member countries and describe the reasons why such solutions were taken.

The most important novelty is that public supervision institution must be established in every country. This type institution has the right to investigate auditors and auditing companies under auditing and make corresponding decisions. The activity of the institution must be financed, to avoid any influence which could be done by an auditor and auditing company.

The directives foresee specific requirements for the audit of public institutions interests. Auditing companies, which perform auditing in the institutions of public interests, must, at the end of every year, present a detailed information on the internet, about the structure of auditing company, management, the order of quality control, to present the list of institutions under auditing, the assurance of types of independence, the development of auditors skills, the income which corresponds to service provided:

The institutions of public interests must have auditing committees, at least one member of auditing committee must be independent and have certain knowledge about the accountability and audit.

Auditing company must inform auditing committee of the institutions of public interests in a written form about their independence, supplementary services provided for a certain institution.

The audit control Committee at the Chamber of Audit was established in Lithuania. The committee has the right to get information from the auditing company about audits, to check the audit documents, to get the information about audit performance methodology to demand for explanation from every employee in the process of auditing and from the audit

companies too. In the process of quality control, the quality of evidence, methodology of audit performance, the principles of ethics of audit standards, the observance of legal acts, the conclusion of auditors from the report if it is necessary, are presented. The quality control of audit is performed in such a way that every five years every auditing company and auditors should be checked; auditing companies performing auditing in institutions of public interests and at the same time, auditors and audit companies, in which in process of auditing some quality activity mismanagement was observed, checking must be done every 3 years.

At present a new project law on auditing is being prepared in Lithuania, which is in compliance with the directives of the European Parliament and Council, new complimentary means of improving audit quality are foreseen.

All the above-mentioned means will provide possibility for improving audit quality and will help partly to recover the lost prestige of audit. But, willing to recover the audit reliability, it is very important to invite clients to participate in the process and revise the regulations of audit standards.

5. The unsolved problems of organizing and performing the audit

Different international audit standards define the auditor's sphere of activity and liability. It is not worth hesitating, that the 200th international audit standard covering the proposition, that audit of financial statements of managers and top managers do not relieve from responsibility, is correct.

However, it is very difficult to explain, why in the contract about providing auditing services it is recommended to put in a phrase, that because of the audit nature and other limitations, together with other limitations of internal control system, risk prevails, that the same important information distortions will not be revealed. Therefore, the auditor is not responsible for not revealed distortions, because it does not fully depend on the auditor.

But, on the other hand, one cannot agree with preliminary proposition that in the process of auditing some very important distortions fail to be revealed, because it beforehand devalues the auditor's conclusion. In every case, if important distortions were not revealed, it is important to clarify whether the auditor was able to see the facts or not.

It is said that in the international audit standard 240 that auditor's job is not to prevent fraud and errors. The people responsible for fraud and prevention of errors are company managers, that because of using tests and after limitations, some risk is possible, and some important divergence in the process of auditing will fail to be clarified.

In the international audit standard 570, it is stated that the auditor's conclusion ensures the reliability of financial statements.

The auditor's conclusion does not mean that the company will be going concern. The above mentioned propositions mean that the auditor presents the conclusion only about financial statements. The auditor does not need to evaluate the company performance, to present forecast, to look for errors and fraud.

In the process of financial statements audit, independent auditors must perform many procedures; i.e. to examine the companies environment, to understand and evaluate internal control, to evaluate, whether it is possible to use the continuity of the auditing precondition, whether the financial accountability does not present facts of distortions because of fraud

and errors to evaluate risks, to perform analytical and after procedures and to define the circumstances under which such facts occurred to make a prognosis. Therefore not favourable tendencies and gaps between the client expectations and audit possibilities occur.

International audit standard 240 states that if the auditor defines that information can be distorted because of the fraud, he evaluates all links which the person under suspicion has in the organization and what is his/her position there. If the top managers are suspected, if the sum does not make great influence on the financial statements, it can give ground for expansion of the problem. In such a case an auditor evaluates the reliability of the earlier performed auditing evidence. Presenting a new evaluation, an auditor pays much attention to the possibility of the plot between employees, managers and third parties.

International audit standard 315 states that the auditors must define and evaluate the distortion risk in the financial statements, which are connected with the groups of economic operations, with the residual value of accounts and exposure.

Standard 520 of the international audit obligates the auditor to apply analytical procedures in audit planning and in the process of audit review. Analytical procedures comprise the comparison of enterprise financial information with: e.g. former information of accountability period, with the forecast company results, such as budget, forecasts or auditors information in the similar industrial branch. Therefore, the ratio of sales and accounts receivable can be compared with the average index of the economic branch or with the same indexes of the same size of companies.

The above-mentioned components compliment the company stability and income generation, that is why entrepreneurs and society have a great interest in it. The survey of company managers and financiers indicated that they expect much more from the auditing. In order to increase the independent auditing prestige and the necessity, the auditor should not limit himself/herself to the tests or procedures, which goal is to present opinion about the financial statements. The auditor should express his/her opinion on other important issues, because in the performance of audit the auditor collects much information.

Auditing results are presented in the auditor's conclusion. It is dedicated to the external users. Positive conclusion confirms that financial statements depict true and fair view to the external user which is a sign, that financial auditing results can be partly trusted. One can not make any conclusions about auditor's work, or what he found, and how the indexes were evaluated. On the other hand, it is stated in the contract that some important information distortions are not revealed. That is why the auditors' conclusion and their responsibility do not satisfy all needs of a client.

The auditor's conclusions can satisfy the potential partner, whose interests lie whether the company under auditing will be able to pay for raw materials and production in time, and that the cooperation with such partner would be long lasting and useful.

The auditor's conclusion and information of financial statements can to some extent satisfy banks. In case, when company goes to a bank for a credit, the bank can make appropriate decision and ask for complimentary data.

Potential investor, a small one, will not find much information, he/she is interested in the auditor's conclusion or financial statement. He will fail to find information about equipment and machine tools, technologies, supply of raw materials and the stability sales markets,

personnel skills and the interest in working for a company for a long time.

The company owners, i.e. shareholders will not get much information either. The positive conclusion is a confirmation that the financial statements can be used to evaluate the company's state.

But, on the other hand, if a shareholder wants to get explicit information, he/she must very carefully examine financial statements. A shareholder must also have certain knowledge about accounts and financial statements, and, to tell the truth, not every shareholder can be proud of it.

Even a very thorough analysis of financial statements will not help a shareholder to find all the information he needs. Every shareholder would like to know about the company; he had invested in development perspectives in the near future. Shareholders must know, if the accumulated depreciation amount will be enough to cover the expenses for buying new equipment and machine tools, because of technical and technological progress, equipment and machine tools become obsolete, and new technology is much more expensive. Company's management does not have much use either from the auditor's conclusion; because the auditor presents general information and making certain decisions is impossible (Lakis 2007).

Therefore, international auditing standards and some authors of scientific literature recommend auditors to present a certain letter to the management. A management letter is intended to inform a client personal of the CPA's recommendations for improving any aspect of the client's business. The recommendation focuses on suggestions for more efficient operation (Arens *et al.* 2006). Standards require informing the management and top managers about the fraud and errors which appear because of the distorted information.

But some authors say that there is no standard, format or approach to writing management letter. Each letter should be developed to meet the style of the auditor and the needs of a customer consistent with the CPA firm's concept of management letters. It should be noted that many auditors combine the management letter with the letter about significant deficiencies and material weaknesses (Arens *et al.* 2006). It follows that every auditor can perform it in his own way.

The above-mentioned arguments state that the auditor's conclusion and provided supplementary information are not sufficient in order to get answer to the questions which might be important. A client, who is covering expenses for auditor's services, cannot decide whether the auditor performed his work well. Therefore, if some distorted information appears, the auditors do not shoulder the responsibility. It might be quite logical that the auditor in every case, after the financial accountability audit is performed, would write a comprehensive report in which the actions and information, collected in the course of auditing, with the evaluation is presented. Then the client could understand, what kind of job an auditor performed, how well he did it, what he had found and how the data were interpreted. The client could get much use of it. The client, having assessed the auditor's presented material, could make certain decisions and at the same time evaluate the auditing quality, because the auditor, while performing the audit, collects much information about the company. It is demanded that the auditor in the documents should present the information about audit planning, the type of procedures, time and scope, the results and conclusion, which follow the auditor's ideas on all main issues and facts.

In scientific literature some authors recommend, when an obligatory audit is performed, the audit company should prepare and present a written information report to the management (owners) of the company under auditing about the results (Суйц *et al.* 2005).

Presently some other factors become vivid, because the role of auditing is diminishing. Data, presented in the financial statements are and will always be very important. But today's company is a very complicated organism, made from not only material components, which are not accountable for and not depicted in financial accountability. These components are skilled workforce, organizational structure, environment, contacts with suppliers and buyers, corporative links, information system, strategy and the skills of the managers to implement investment programmes.

The above-mentioned components contribute a lot to a company's stability and income generation. That's why business people and society are interested in it, because such data are not stated in accounts and not depicted in financial statements, the auditors are not checking them.

If certain measures, influencing audit informativeness will not be taken, it may happen that the importance of audit will diminish in the future. If such tendency occurs, the functions of audit organizations might be taken over by consulting companies which accumulate and analyse information about different companies and define their reliability. Such companies for a certain fee can provide full and explicit information about company.

6. Conclusions

The performed research showed that in the development of independent audit two tendencies are observed. Firstly, international organizations and governments of different countries perform a great job to improve audit quality. Because of that the EU new directive was approved on Statutory Audits of annual account and consolidated accounts after the conformation of the above-mentioned directive, EU auditors are not self regulating profession. Alongside other changes it is stated that the supervision of companies under auditing and auditors should be controlled by public audit supervision institutions, which are managed by people, having enough knowledge about audit, but are not regular auditors.

It is also stated that the performance of auditors or audit companies can be cancelled, if the reasons of doing so are of great importance. Disagreements between auditors and clients about the accounting and auditing procedures and orders cannot be the basis of cancellation. It strengthens the auditor's independence and reliability of audit investigations.

International audit standards undergo a continuous development. The standards claim, that auditing companies must introduce quality control policy and procedures, which ensure the reliability of the performed audit following the standards.

Some countries take up measures, which might help improve audit quality. The order of audit performance is constantly undergoing unification. But some normative acts are difficult to follow and implement, and they do not comply with the auditing standards.

In Lithuania, money laundering prevention law requires, that the auditors should stop economic operations which are suspicious and inform about it respective organizations.

Secondly, it is observed, at the same time, that the independent auditing because of different reasons becomes very simple, the audit goal is not formulated adequately. It is not

enough to express opinion, whether the financial statement is prepared following the fixed requirements of financial statements. Such information can satisfy only some users. Therefore, neither the owners, nor potential investors, neither society nor governmental institutions can decide, how a company should function and what are the perspectives of it. Independent auditors can use the records under auditing, and documents are considered not forged unless the audit will present different information.

Though the auditor is responsible whether the information on financial statements presented by the management was done according to going concern, the conclusions cannot guarantee that the company will be going concern in the future. All this helps the auditors to avoid responsibility, but at the same time it diminishes the value of auditor's conclusion and the importance of information. Independent auditor, having performed the financial statements audit, presents the opinion, whether in all cases it was performed according to the requirements of financial statements. This opinion might be of great importance to bankers, partners, investors, or the people who might find some interest in the company under audit. But the auditor's opinion does not guarantee that the financial statement data are correct. The audit standards warn that due to different reasons, some distortions of the financial statements cannot be observed, though the audit was performed according to the plan and following the international audit standards. The international audit standards recommend including this fact in the contract. Neither the standards, nor the other normative acts describe which important distortions can be left unobserved.

International and national audit standards obligate the independent auditor, in the process of auditing, to perform different procedures, during which certain distortions due to fraud are observed and many company employees under auditing are connected with it, to apply analytical procedures, evaluate risk. Thus the auditor accumulates much information about a company, but this information is used only partly.

Following the auditing results, the independent auditor presents the conclusion to the customer and a letter, where he describes important drawbacks of accounting and internal control; at the same time he can inform the client about other factors too. The type of information and time is a chosen by information and time is chosen by an auditor.

Following such audit performance and information about sequence of results, there is no guarantee that the client will get all the information he needs. And, consequently, from the information a client aquired, he cannot evaluate the audit quality though being the client he/she such information should be accessible. Thus, in the process of auditing many more procedures are performed than needed, but the information accumulated in the process of auditing is presented partly. The unused information remains in the documents.

In order to improve the quality of financial statements, the procedures and goals of audit must be expanded, it must be clearly defined what auditors must reveal and what they may fail in; to develop auditor's conclusion in every possible way to present auditor's report to a client. The requirements of the audit report must be defined by audit standard.

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NEPRIKLAUSOMO AUDITO RAIDOS TENDENCIJOS

V. Lakis

Santrauka

Nagrinėjamos auditorių funkcijos; veiksniai, darantys įtaką audito būklei; finansinių ataskaitų klastojimo tikslai, motyvai ir priemonės; tarptautinių organizacijų ir atskirų šalių vyriausybės pastangos pagerinti audito kokybę; neišspręstos audito problemos. Daroma išvada, kad kai kurie norminiai aktai nesiderina su audito standartais ir kelia auditoriams sunkiai įvykdomų reikalavimų.

Pabrėžiama, kad dėl įvairių priežasčių nepriklausomas auditas pernelyg supaprastėjo. Nepriklausomo audito raidoje ryškėja dviejopa tendencija. Viena, tarptautinės organizacijos ir atskirų šalių vyriausybės deda pastangų, kurios padeda gerinti audito kokybę. Kartu pastebima ir kita tendencija – nepriklausomas auditas pernelyg supaprastėjo, per siaurai formuluojamas audito tikslas. Taip pat audito metu atliekama kur kas daugiau procedūrų, negu reikia audito tikslui pasiekti, tačiau informacija, sukaupta per auditą, užsakovams pateikiama tik iš dalies. Rekomenduojama praplėsti audito tikslą ir procedūras, taip pat numatyti, kad visais atvejais užsakovui kartu su auditoriaus išvada būtų pateikta išsami audito ataskaita.

Reikšminiai žodžiai: agresyvi apskaitos politika, audito ataskaita, auditoriaus išvada, auditorių funkcijos, finansinių ataskaitų klastojimas, nepriklausomas auditas, tarptautiniai audito standartai.

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