

ANALYTICAL PROCEDURES USED IN FINANCIAL AUDIT FOR THE VALUATION OF PORTFOLIO PERFORMANCES - CASE OF FINANCIAL INVESTMENT COMPANIES

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Abstract:

Conducting financial audit engagements for Financial Investment Companies is based in a significant measure on the conception and performance of analytical procedures that assist the auditor in the process of elaborating general conclusions regarding the performances of the managed portfolios. In connection with the issue of construction a system of indicators for assessing the portfolio performances, we remark the approach from the perspective of portfolio managers, though it is not explored their usefulness as analytical procedures used in a financial audit engagement conducted in investment companies. The approach to scientific research has considered, mainly, the analysis of financial statements published¹ by the five Financial Investment Companies in the period 2006-2008, the comparison of portfolio performances in correlation with the reported net asset value, as well as the inspection of trading reports issued by the market operator Bucharest Stock Exchange and analysis reports issued by the Romanian Association of Fund Managers.

Keywords: *Financial Investment Companies, financial assets, portfolio management, rate of return and risk correlation, analytical procedures, investment decision.*

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