

EFFECTS OF REGULATORY ENVIRONMENT UPON THE AUDITOR- CLIENT RELATIONSHIP

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Abstract:

The auditor-client relationship has been the subject of many previous studies and, due to the complex and dynamics nature of the relationship, will continue to be the focus of further research. Along with the dynamics within the relationship it is also compulsory to analyze the context and regulatory framework in which the relationship unfolds. As the interaction among the auditor and client could lead to several problems, the relationship and interactions between them has been one of the focus points of the International Standards on Audit and other regulations. Analyzing the specific International Standards on Audit that are related to the auditor-client relationship reveals the margins within the parties can unfold. Moreover, this essential analysis brings to light the potential areas of interest that are not sufficient covered by the existing regulations. This analysis is conducted on a concentric approach starting from the international regulations, moving on to the ones enforced at the European Union level and, in the end, Romanian applicable regulations, all of them concerning auditor-client relationship. Moreover, this study contributes to the existing literature by revealing the differences in transposing regulations at different levels (international, European and national) as well as the specific generated by each of the mentioned levels.

Keywords: auditor, client, ISA, EU, regulatory

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