

THEORETICAL APPROACH TO THE ETHICS OF THE EXTERNAL PUBLIC AUDITOR

Author **Diana Sabina BRĂNEȚ (ULICID)**

Pd. D Student, West University of Timisoara , diana.branet81@e-uvv.ro [ORCID: https://orcid.org/0000-0001-7141-4372](https://orcid.org/0000-0001-7141-4372)

Abstract:

The paper aims to highlight the importance that the elements regarding the ethics of external public auditors have in auditing public sector entities, respectively, in providing audit reports that contribute, through the recommendations contained, to the management, in conditions of efficiency, effectiveness and economy of public funds. Compliance with ethical principles by public auditors also helps to increase the quality of audit reports, reducing non-compliance, including fraud, and increasing the company's confidence in this sector. For this study, the methodology used is the qualitative one, in which the most relevant and current articles have been systematized that deal with the role of ethical elements in terms of external public auditors, respectively ethical elements specific to the Supreme Audit Institutions (IAS) of various countries of the world. Following the analysis, several factors have been identified that impact the results and quality of audit reports prepared as a result of the audits performed, which were used to highlight the importance of respecting ethical elements by public auditors in different countries. The most relevant factors are the auditor's independence, the level of training of the auditor, professional scepticism, creating an ethical climate appropriate to the professional activity following the aims and mission of the institution, preventing and resolving ethical issues and conflicts, discouraging unethical practices, etc. The main conclusion is that several ethical factors influence the quality of audits performed in the public sector. However, auditors' independence is undoubtedly one factor with a high impact on the qualitative aspects of audits in this sector.

Keywords: *audit, public sector, auditor ethics, auditor independence*

JEL codes: *M42, M49*