

Transparency of Audit Firms in Croatia

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Abstract : The aim of this paper is to raise general awareness of transparency importance for audit firms and for audit services' users. This paper analyses transparency of audit firms that audited financial statements of listed companies, for year 2011 and 2012. We use this two years because in the meantime Code of Ethics for Professional Accountants has been adopted. This paper investigates whether transparency reports of audit firms are in accordance with the Croatian Audit Act and whether there is a difference on transparency in observed years. For this paper, quality index of transparency report and financial indicators of audit firms are used to get conclusion about condition of audit firms transparency reporting. Results of our study indicate that audit firms are not fully transparent, looking for both years. Transparency of audit firms in 2012 has improved significantly, compared with transparency in 2011.

Keywords : transparency report, index quality of transparency report, Croatian audit act, code of ethics for professional accountants

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