

# IMPACT OF THE INTERPLAY BETWEEN FORMAL AND INFORMAL INSTITUTIONS IN THE CORPORATE GOVERNANCE AND INDEPENDENCE OF AUDIT FIRMS: A COMPARATIVE STUDY OF CEECs

Małgorzata Godlewska✉

SGH Warsaw School of Economics, Poland

## ABSTRACT

The central point of this paper is to present the results of comparative meta-analysis concerning the impact of the interplay between formal and informal institutions in the corporate governance and independence of audit firms of Central and Eastern European Countries (CEECs). The paper focuses on the values of the national Financial Audit Law and national auditors' code of ethics of CEECs, as well as on independence, professional scepticism, non-audit services, audit fees, mandatory audit firm rotation and joint carrying out of statutory financial audit. The main subject of interest concerns two research areas: the character of the relationship between formal and informal institutions, as well as whether the interplay between them is relevant to corporate governance and independence of audit firms of CEECs.

**Key words:** corporate governance and independence of audit firms, formal institutions, informal institutions, Central and Eastern European countries, capital markets

**JEL codes:** D02, G34, N2, O16

## INTRODUCTION

Proper functioning of capital markets in the European Union requires a sufficient choice of audit firms [Commission Recommendation C(2008) 2274], because audits are one of the key contributors to European financial stability [Green Paper COM/2010/0561 final]. Moreover, an audit may deliver assurance of the financial health of companies [Green Paper COM/2010/0561 final].

Auditors as well as audit firms play a statutory role in the Central and Eastern European Countries (CEECs)<sup>1</sup>, as audits are required by national and EU law. Such audits are a statutory safeguard for different participants of capital markets, such as investors, lenders or business counterparties [Green Paper COM/2010/0561 final]. The independence of audit firms is fundamental to public confidence of the audit process and the reliability of auditors' work [Quick 2012]. Equally important is the corporate governance

<sup>1</sup> Central and Eastern European Countries is an OECD term (as a non-EU member excluded from analysis), Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, Slovenia, Estonia, Latvia and Lithuania.

of audit firms, which may enhance trust and confidence of capital markets towards auditor's work [FRC 2016].

The importance of formal institutions for the corporate governance and independence of audit firms has been highlighted by the European Commission [Green Paper COM/2010/0561 final]. In addition, the importance of informal institutions like auditing firm policies or auditing firm culture for the corporate governance and independence of audit firms has been highlighted by Johnstone et al. [2001].

The purpose of this paper is to present the results of a comparative meta-analysis concerning the impact of the interplay between formal and informal institutions on the corporate governance and independence of audit firms of CEECs and their capital markets. Particular focus was put on the values of the national Financial Audit Law and national auditors' code of ethics, as well as on independence, professional scepticism, non-audit services, audit fees, mandatory audit firm rotation and joint carrying out of a statutory audit. In this paper, informal and formal institutions of CEECs relevant to the corporate governance and independence of audit firms of CEECs and their capital markets are presented. The interplay between formal and informal institutions of audit firms' corporate governance code, using the example of the national auditors' code of ethics and national Financial Audit Acts of CEECs, are compared and discussed. Moreover, whether the national Financial Audit Acts of CEECs consist of regulations that are compatible with the values set up in the national auditors' code of ethics, is examined. Furthermore, the research hypothesis that rules-based corporate governance system (CGS) of CEECs leads to a higher quality of financial audit than relation-based CGS, is investigated.

The conclusion presented in the paper was drawn based on a review of literature and research on national and European financial audit regulations, as well as all national auditors' code of ethics of CEECs. The primary contribution this article makes is to link the literature on the interplay between formal and informal institutions related to audit firms' corporate governance systems and independence in economies in transition like CEECs and their capital markets.

## **THE CORPORATE GOVERNANCE SYSTEM AND INDEPENDENCE OF AUDIT FIRMS**

The corporate governance system of audit firms has become a significant issue in academic as well as in business debates in the last two decades due to auditors' scandals, such as the Arthur Andersen collapse or previous fines and bans received by the Big Four all over the world. Proper corporate governance systems should help audit firms to secure their reputation and reduce the risk of failure [FRC 2016]. The governance of CEE audit firms is defined by legislation (e.g. the EU hard and soft law or national regulations), Audit Firm Governance Code (like in the UK), Code of Ethics for Professional Accountants so-called formal institutions, as well as by informal institutions like values and culture of audit firms or auditors' attitude to risk or trust in audit client's statements. However, audit firms' corporate governance codes are not obligatory for audit firms in CEECs.

Until recently, CEECs did not implement the Audit Firm Corporate Governance Code (as is done in the UK). However, almost all CEECs (except Romania) incorporated into their national institutional framework the Code of Ethics for Professional Accountants of the International Federation of Accountants (IFAC Code of Ethics), which should be obeyed by all auditors and audit firms. The implementation of the Audit Firm Corporate Governance Code has been under heated debate within the EU since 2010. It is important to highlight that auditors play a key role in capital markets and are entrusted by law to conduct statutory financial audits [Green Paper COM/2010/0561 final]. The Audit Firm Corporate Governance Code is intended to benefit investors, audit committee members, audit regulators, partners and employees of audit firms. Similarly, the independence of audit firms is also crucial for capital markets [Green Paper COM/2010/0561 final].

However, at present, in literature on the subject, there is no one common definition of independence. DeAngelo [1981] highlights that the independence of audit firms means their ability to report a discovered breach during the financial audit. The independence of audit firms has an impact on the audit quality, because without this, the auditor will be less likely to

report a discovered breach, and the audit quality will decrease [Tepalagul and Lin 2015], which may cause many problems with the financial stability of EU capital markets. The independence of audit firms may be affected by: (a) mandatory rotation of audit firms and partners [Nicolaescu 2013]; (b) financial audit fees [Blay and Geiger 2013, Markelevich and Rosner 2013]; (c) non-audit services [Tepalagul and Lin 2015]; (d) the importance of the audit client [Hardies et al. 2012]; (e) a client's affiliation with the current audit firms [Martinov-Bennie et al. 2011]; or (f) regulatory auditor firms' oversight [Johnstone et al. 2001].

In literature, there is a debate on whether only formal institutions are important for the corporate governance and independence of audit firms or if informal institutions also have a significant impact.

#### **THE IMPACT OF INFORMAL INSTITUTIONS ON THE CORPORATE GOVERNANCE AND INDEPENDENCE OF CEE AUDIT FIRMS**

Directive 2014/56/EU on Statutory Audit requires that statutory auditors and audit firms adopt principles of professional ethics, professional scepticism, professional secrecy, independence, integrity, objectivity, professional competence or due care. These principles have been transposed into the CEECs' legal environment through either national codes of ethics, like in Romania (Table 1), or through binding principles of the IFAC Code of Ethics, like in Poland or Hungary. However, only Lithuania adds in the national Financial Audit Act to the IFAC Code of Ethics such important values as social responsibility and the good repute of audit firms. Moreover, despite the convergence of the Code of Ethics between CEECs, we can observe important differences in the corporate governance system of CEE audit firms (Table 2). Moreover, differences in informal institutions, such as cultures, traditions, values or business codes and ethics, may result in the divergence of the corporate governance system among CEE audit firms. Furthermore, the European Commission highlights that audit firms have to strengthen their

corporate governance standards in order to reinforce their independence [Green Paper COM/2010/0561 final]. A good example of this reference may be the code of corporate governance for audit firms introduced in 2010 in the UK.

Research by Stulz and Williamson [2003] proved that informal institutions, such as culture, values and ethical norms, are important for corporate governance systems. On the other hand, research by Johnstone et al. [2001] proved that auditing firm culture or auditing firm policies are important for independence of audit firms. Most respondents from CEECs perceive culture as tradition, customs and arts (e.g. Bulgaria, Romania, Latvia and Slovakia) or as arts, literature and lifestyle (e.g. Hungary, the Czech Republic, Estonia or Poland) – Table 1. Surprisingly, only a minority of CEE respondents from Bulgaria, Hungary and Romania also perceive culture as knowledge and science (research) [EC 2007]. Moreover, according to Schwartz and Bardi [1997], CEECs may be divided due to conservatism and hierarchy values (Table 1).

The first group of countries, e.g. Croatia, Estonia, Lithuania, Poland, Slovakia and Slovenia, which may be classified as conservative countries<sup>2</sup>: (a) mostly perceive culture as an art, literature or lifestyle (except Slovakia); (b) do not have a problem with patronage and nepotism (except Croatia); and (c) their business culture is moderately dominated by corruption (except Slovakia, Slovenia and Croatia).

The second group of countries, e.g. Bulgaria and Romania, which may be classified as hierarchical countries: (a) perceive culture as traditions, customs, arts, knowledge and science; (b) say corruption is a part of their business culture; and (c) have a problem with patronage and nepotism.

The third group of countries, e.g. the Czech Republic, Latvia and Hungary, which may be classified both as conservative and as hierarchical countries: (a) perceive culture as art and literature (except Latvia); (b) say corruption is a part of their business (except Latvia); and (c) have a moderate problem with patronage and nepotism (except Latvia).

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<sup>2</sup> For Croatia, Latvia, Lithuania and Romania, which are not included in research by Schwartz and Bardi [1997], the author classified these countries according to the characteristics of Lewis' research [2006].

**Table 1.** Differences of informal institutions of CEECs (classified by values)

Country	Auditors Code of Ethics <sup>a</sup>	Word ‘culture’ <sup>b</sup>	Corruption as a part of business culture <sup>c</sup>	Patronage and nepotism <sup>d</sup> as a problem	Value types <sup>e</sup>
Bulgaria	IFAC	traditions, customs and arts	76%	58%	hierarchy
Romania	professional ethics, independence, objectivity, confidentiality and professional secrecy	arts, literature, traditions and customs	80%	82%	hierarchy
Latvia	IFAC	traditions, customs and arts	52%	20%	conservatism hierarchy
Hungary	IFAC	arts and literature	76%	46%	conservatism hierarchy
Czech Republic	IFAC	arts and literature	77%	50%	conservatism hierarchy
Croatia	IFAC	no data	75%	53%	conservatism
Slovenia	IFAC	arts and literature	76%	36%	conservatism
Slovakia	IFAC	traditions, customs and arts	81%	42%	conservatism
Lithuania	IFAC plus social responsibility and good repute of audit firms	arts and lifestyle	67%	23%	conservatism
Estonia	IFAC	arts and literature	48%	22%	conservatism
Poland	IFAC	arts and lifestyle	62%	34%	conservatism

<sup>a</sup> Auditor’s fundamental principles of IFAC: professional ethics, professional scepticism, independence, integrity, objectivity, professional competence, due care and professional secrecy.

<sup>b</sup> The respondents from the EU member states have to answer the question: What comes to mind when you think about the word ‘culture’?

<sup>c</sup> The respondents from the EU member states have to answer the question: Corruption is part of the business culture in your country? The answers show how many respondents totally agree that corruption is a part of the business culture in their countries.

<sup>d</sup> The respondents [companies] from the EU member states have to answer the question: Do you consider patronage and nepotism to be a problem or not for your company when doing business in your country? The answers show for how many respondents patronage and nepotism are a problem.

<sup>e</sup> According to Schwartz and Bardi [1997] Eastern Europe put especially high importance to conservatism [understood as “emphasis on the status quo, propriety, and restraint of actions or inclinations that might disrupt the solidary group or the traditional order”] and hierarchy [understood as “emphasis on the legitimacy of hierarchical allocation of fixed roles and of resources”] values and very low importance to other values. For Croatia, Latvia, Lithuania and Romania, which are not included in research of Schwartz and Bardi [1997], the author classified these countries according to research by Lewis [2006].

Source: Author’s own compilation based on conservative and hierarchical values from Schwartz and Bardi [1997] and for Croatia, Latvia, Lithuania and Romania, which are not included in research of Schwartz and Bardi [1997], the author classified these countries according to research by Lewis [2006]; corruption [EC 2017b]; the world culture [EC 2007]; patronage and nepotisms [EC 2017a]; Code of Ethics based on CEE national audit acts.

Statutory auditors and audit firms play a societal role by offering a report “on the truth and fairness of the financial statements” of audited companies [Green Paper COM/2010/0561 final]. The corporate governance code of audit firms should promote quality of fi-

nancial audits [FRC 2016], because “robust audit is key to re-establishing trust and market confidence” and contributes to investor protection and decreases in the cost of capital from capital markets [Green Paper COM/2010/0561 final]. However, in CEECs, we may

observe differences in the organisation of the public oversight body of audit firms, which may influence the corporate governance and independence of CEE audit firms and their capital markets. Each of the CEECs have one professional body mainly responsible for approval and registration of statutory auditors and audit firms or continuing education. The first group of countries, e.g. Croatia, Estonia, Lithuania, Poland, Slovakia and Slovenia, which may be classified as conservative countries: (a) delegated to a national public oversight body the responsibilities for a quality assurance system (except Estonia and Croatia) for public interest entity (PIE) statutory audits and to professional bodies for non-PIE statutory audits; and (b) delegated to a national public oversight body the responsibilities for investigation and the administrative disciplinary system (except Poland and Slovakia) – Table 2.

The second group of countries, e.g. Bulgaria and Romania, which may be classified as hierarchical countries, decided to delegate the responsibilities for

a quality assurance system and investigation and the administrative disciplinary system to a national public oversight body. The third group of countries, e.g. the Czech Republic, Latvia and Hungary, which may be classified both as conservative and as hierarchical countries, decided to delegate the responsibilities for a quality assurance system and investigation and the administrative disciplinary system to national public oversight bodies in the case of PIE statutory audits and, in the case of statutory audit for non-PIE, to professional bodies.

In literature on the subject, informal institutions may have a problem-solving or a problem-creating role [Godlewska and Pilewicz 2018]. The question is: which role do informal institutions have according to the corporate governance and independence of CEE audit firms? According to the results of a meta-analysis of the national code of ethics confirmed by the results of empirical research of corporate governance in transition economies (except the Czech Republic) done by

**Table 2.** Differences in the regulation of corporate governance standards of CEE audit firms (classified by value types)

Country	Value types	National public oversight body	Professional body	Quality assurance system	Investigative and administrative disciplinary system
Bulgaria	hierarchy	CPOSA	ICPA	CPOSA	CPOSA
Romania	hierarchy	ASPAAS	CAFR	ASPAAS	ASPAAS
Latvia	conservatism hierarchy	MoF	LZRA	MoF for PIE/LAZRA for non-PIE	MoF for PIE/LAZRA for non-PIE
Hungary	conservatism hierarchy	KKH	MKVK	KKH for PIE/MKVK for non-PIE	KKH for PIE/MKVK for non-PIE
Czech Republic	conservatism hierarchy	PAOB	KACR	PAOB for PIE, KACR for non-PIE	PAOB/KACR for PIE, KACR for non-PIE
Poland	conservatism	KNA	PIBR	KNA for PIE/PIBR for non-PIE	KNA for PIE/PIBR for non-PIE
Croatia	conservatism	MoF	CAC	MoF	MoF
Slovenia	conservatism	ANR	SIZR	ANR for PIEs/SIZR for non-PIEs	ANR
Slovakia	conservatism	UDVA	SKAU	UDVA for PIE/SKAU for non-PIE	UDVA for PIE/SKAU for non-PIE
Lithuania	conservatism	AVNT	LAR	ANAVT for PIE/LAR for non-PIE	AVANT
Estonia	conservatism	AAOB	EAA	AAOB	AAOB

Source: Author's own compilation based on Schwartz and Bardi [1997], Lewis [2006] and the organization of the public oversight body of audit firms by Accountancy Europe [2018].

experts of EBRD [2017], corporate governance regulations in CEECs are not well implemented, and the institutional environment is not sufficiently supported by informal institutions [Godlewska and Pilewicz 2018]. Informal institutions of CEECs do not support formal institutions in order to enforce full compliance with the IFAC code of ethics. An explanation for the lack of enforcement may be the fact that a majority of CEECs have a problem with patronage and nepotism, and corruption is a part of their business culture. Moreover, Sikka [2004] argue that the values which govern audit firms are the need to make a profit at the expense of the need for wider social obligations.

### **IMPACT OF FORMAL INSTITUTIONS ON THE CORPORATE GOVERNANCE AND INDEPENDENCE OF CEE AUDIT FIRMS**

No one corporate governance system is totally safe against fraud, malpractice or incompetence [Cadbury 1992, Hampel 1998]. However, the independence and corporate governance standards of audit firms may reduce these risks and may facilitate investors' trust in companies' financial reporting [Cohen 1978]. Moreover, according to Blair [1995], financial audits are an integral part of the corporate governance system. However, recurring audit failures done during financial audits undermine confidence in the corporate governance system [Sikka 2004] and in capital markets. Therefore, formal institutions support the independence and corporate governance standards of audit firms, e.g. the Sarbanes-Oxley Act of 2002 in the USA or the Financial Audit Law in the EU of 2014. The Financial Audit Law of CEECs was examined according to the following key areas: professional scepticism of auditors, independence, non-audit services, mandatory audit firm rotation or joint carrying out of a statutory audit.

La Porta et al. [1998] divided countries according to the legal origins of law (formal institutions) into common law countries and civil law countries. They proved that the corporate governance system varies significantly among these countries with different legal origins of law. CEECs as civil law countries with a French (Latvia, Lithuania and Romania) or German (Poland, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Slovakia, Slovenia) origin of law have weaker corporate gov-

ernance systems than common law countries [La Porta et al. 2004]. However, there are no significant differences in the regulation of Financial Audit Law between CEECs with French and German origins of law.

According to scholars Beeler and Hunton [2001], provision for non-audit services may strengthen the auditor's economic relations with their clients and decrease the independence of audit firms. Despite this, most CEECs decided to allow audit firms to provide non-audit services, like certain tax and valuation services, under the conditions of the Regulation (EU) No 537/2014 (e.g. the Czech Republic, Estonia, Hungary, Slovakia, Latvia or Romania) or only certain tax services under the condition of this Regulation (e.g. Lithuania or Bulgaria). Only Poland and Slovenia did not decide upon any deregulation of prohibition for non-audit services (Table 3). Moreover, only Poland has chosen an additional prohibition for non-audit services according to the "White" list approach. All others CEECs approved the list of prohibitions as per the Regulation (EU) No 537/2014. Furthermore, non-audit services may affect auditor independence [Tepalagul and Lin 2015].

All CEECs' audit regulations required their audit firms and their auditor to be independent from their clients and to fulfil the obligation of professional secrecy (Table 3). However, the Financial Audit Law of CEECs does not have clear regulations according to the situation where part of the client's personnel used to work in the past for the current auditor. Such affiliation may affect the independence of an audit firm [Lennox 2005]. Moreover, all CEECs' financial audit regulations require their audit firms and their auditors to perform the audit with professional scepticism; however, the meaning of professional scepticism is not defined in all regulations. Polish and Slovakian financial audit regulations define professional scepticism as the critical attitude of auditors. For Lithuanian and Czech, it is the questioning mind of an auditor.

In addition, Jennings et al. [2006] proved that rotating audit firms and their partners leads to higher auditor independence perception. Moreover, Heliodoro et al. [2016] argue that there is a significantly positive relation between the final results of a financial audit report and a change in auditor. However, CEECs have chosen different mandatory partner and audit firm rotation patterns, from 5 years (in Poland and Hungary),

**Table 3.** Differences in the regulation of the Financial Audit Law of CEECs (classified by legal origin of law)

Country	Legal origin of law	Professional scepticism of auditors	Independence	Non-audit services – Derogation of prohibition	Non-audit services – Additional prohibitions	Mandatory audit firm rotation	Joint carrying out of statutory financial audit
Bulgaria	German	professional judgement	yes	CT	LP	7 years	yes
Czech Republic	German	questioning mind	yes	CTV	LP	10 years	yes
Estonia	German	yes	yes	CTV	LP	7 years	no
Hungary	German	yes	yes	CTV	LP	5 years	no
Poland	German	critical attitude	yes	no	W	5 years	no
Slovakia	German	critical attitude	yes	CTV	LP	10 years	yes
Slovenia	German	yes	yes	No	LP	10 years	no
Latvia	French	yes	yes	CTV	LP	10 years	no
Lithuania	French	questioning mind	yes	CT	LP	10 years	yes
Romania	French	questioning attitude	yes	CTV	LP	10 years	yes

Source: Author’s own compilation based on legal origin of law from La Porta et al. [2004]; professional skepticism of auditors, independence, mandatory audit firm rotation or joint carrying out of a statutory audit based on meta-analysis of national Financial Audit Law, non-audit services based on Accountancy Europe [2019].

7 years (in Bulgaria and Estonia), to 10 years (in the Czech Republic, Slovakia, Slovenia, Latvia, Lithuania and Romania).

Furthermore, some of CEECs allow joint carrying out of statutory financial audit. Joint audits mean that two or more different audit firms share the financial audit work and jointly sign the financial audit report [Green Paper COM/2010/0561 final]. Joint financial audits are possible in Bulgaria, the Czech Republic and Slovakia.

On the other hand, Heliodoro et al. [2016] highlight that there are other relevant factors that may have impact on the corporate governance and independence of audit firms, such as the financial audit client’s growth rate, the financial audit client’s corporate governance model or the sector in which the financial audit client operates.

### IMPACT OF INTERPLAY BETWEEN FORMAL AND INFORMAL INSTITUTIONS

An audit is a key part of the corporate governance mosaic [Cohen et al. 2004]. However, according to Sikka [2004], audit failures are the product of the values [informal institutions] governing audit firms, such as the need to make a profit instead of wider social obligations.

The author divided CEECs’ governance systems, based on characteristics from the OECD report [Jüttig et al. 2007], into two groups (Table 4): (a) the relation-based corporate governance system (CGS) countries such as in Bulgaria, Hungary, Latvia and Romania; (b) the rules-based CGS countries such as in Croatia, the Czech Republic, Estonia, Lithuania, Poland, Slovakia and Slovenia. When the relation-

**Table 4.** Interplay between the formal and informal institutions of national CGCs of CEECs (classified by values)

Country	Rules- or relation-based CGS	Disclosure on the external audit	Quality of external audit	Financial information disclosure	Institutional environment
Bulgaria	relation-based	moderately strong	fair	strong	weak
Romania	relation-based	moderately strong	fair	strong	fair
Hungary	relation-based	moderately strong	weak (two-tier system)	strong	weak
Latvia	relation-based	moderately strong	fair	strong	moderately strong
Croatia	rules-based	moderately strong	moderately strong	strong	moderately strong
Lithuania	rules-based	strong	moderately strong	strong	moderately strong
Estonia	rules-based	moderately strong	fair	strong	strong
Poland	rules-based	moderately strong	moderately strong	strong	strong
Slovakia	rules-based	fair	fair	fair	fair
Slovenia	rules-based	moderately strong	moderately strong	moderately strong	moderately strong

Source: Rules-based or relation-based CGS: author's division based on characteristics from report OECD [Jüttig et al. 2007]; Disclosure on the External Audit, Quality of External Audit, Financial Information Disclosure, Institutional Environment according to EBRD [2017].

-based CGS dominates, this means that the professional body which supervises audit firms may not be strong enough to effectively regulate audit firms. In such a situation, the corporate governance system of audit firms may be dominated by the bargaining power of their financial audit clients. The rules-based CGS countries have a better institutional environment and higher quality of external financial audit than relation-based CGS countries, which was proved by research done by EBRD experts [2017].

Moreover, Dunn and Mayhew [2004] argue that financial audit clients select their auditors as a part of their disclosure strategy. However, almost all CEECs have moderately strong or strong regulations connected with disclosure on the external financial audit or disclosure of financial information.

## CONCLUSIONS

The interplay between formal and informal institutions is of significant importance for the corporate governance and independence of CEE audit firms and their capital markets, because informal institutions may

support, replace or undermine formal institutions. This meta-analysis examined the relationships between formal and informal institutions of CEECs using the example of national Financial Audit Law and the values of the national code of auditors' ethics.

The results suggest that a majority of CEECs' informal institutions do not support or enforce national financial audit regulations. An explanation for the lack of enforcement by informal institutions may be the fact that many CEECs have a problem with corporate governance standards due to problems with nepotism and patronage or a positive perception of corruption. Therefore, informal institutions do not have a problem-solving role in the corporate governance and independence standards of CEE audit firms.

Moreover, the regulations of national Financial Audit Law are undermined by weak informal institutions, e.g.: (a) lack of a code of ethics held by the majority of public listed companies (financial audit client's); (b) lack of national corporate governance standards for audit firms; (c) lack of enforcement by professional bodies for values connected with the

social responsibility of auditors; or (d) civil law legal cultures with lower corporate governance standard enforcement than common law culture.

Furthermore, some CEECs have rules-based corporate governance systems and others have relation-based systems. However, the rules-based CGS of CEECs like in Poland, Slovenia or Lithuania lead to a higher quality of financial audit and better protection of capital markets than relation-based CGS of CEECs like in Bulgaria, Romania, Hungary or Latvia.

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## WPLYW WZAJEMNYCH POWIĄZAŃ MIĘDZY INSTYTUCJAMI FORMALNYMI I NIEFORMALNYMI NA ŁAD KORPORACYJNY I NIEZALEŻNOŚĆ FIRM AUDYTORSKICH: BADANIE PORÓWNAWCZE KRAJÓW EUROPY ŚRODKOWO-WSCHODNIEJ

### STRESZCZENIE

Celem tego artykułu jest przedstawienie wyników metaanalizy dotyczącej wpływu wzajemnych powiązań instytucji formalnymi i nieformalnymi na ład korporacyjny oraz niezależność firm audytorskich z krajów Europy Środkowo-Wschodniej. Artykuł skupia się na analizie narodowych regulacji w zakresie przeprowadzania badań sprawozdań finansowych oraz kodeksach etyki zawodowej biegłych rewidentów w Europie Środkowo-Wschodniej, a także na uregulowaniu takich kwestii, jak: niezależność firmy audytorskiej i audytora, profesjonalny sceptycyzm, usługi dodatkowe, wynagrodzenie za audyt, obowiązkowa rotacja firmy audytorskiej czy wspólne przeprowadzanie badań sprawozdań finansowych przez co najmniej dwie firmy audytorskie. Głównym przedmiotem zainteresowania były następujące obszary badawcze: określenie charakteru relacji między instytucjami formalnymi i nieformalnymi, a także zbadanie, czy wzajemne oddziaływanie między nimi jest istotne z punktu widzenia ładu korporacyjnego i niezależności firm audytorskich w krajach Europy Środkowo-Wschodniej.

**Słowa kluczowe:** ład korporacyjny i niezależność firm audytorskich, instytucje formalne, instytucje nieformalne, Europa Środkowo-Wschodnia, rynek kapitałowy