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THE AUDIT MISSION IN THE BASE OF THE ISRS - STEPS TO STRENGTHEN INDIVIDUAL FINANCIAL STATEMENTS OF THE CONTRACTING COMPANY

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ABSTRACT: In granting a credit the bank must be informed correctly about the client's financial situation and the possibility of the existence of specific links between contractors and associated companies of the group, thus lending decision must make a decision based on knowledge and risk taking by the bank to the whole group. This paper has as main objective the theoretical and practical presentation of the stages of building the individual financial statements through the method of global integration and consolidation process influence on the financial position and performance of the entity that the auditor's opinion expressed in the audit report, with highlighting limitations and directions to follow. The empirical study presented aims to present consolidated financial statements summary highlighting the relevant information to users, information audited by an auditor and presented in a report issued under the International Standard on Related Services ('ISRS') 4400 Engagements to achieve agreed procedures regarding financial information issued by the International Federation of Accountants ("IFAC") and adopted by the CAFR and IFAC Code of Ethics.

Keywords: consolidated financial statements, intra-group transactions, equity, minority interests, historical cost

JEL Codes: M41, M42, O10

Introduction

Any bank that intends to lend must know both initially and over time the financial position and performance of the entity, if the company's balance sheet is audited by an independent firm to be able to know whether the data presented in the balance sheet are real (Matiş E. A., 2010). Also in some cases it is and the empirical study presented in the following pages, under research for credit, bank, in the case of a group of connected clients ask for credit application analysis summarized financial statements consolidated based on financial statements , highlighting the following items of interest to the companies included in consolidation for banks:

- Strengthening intra-group transactions, both commercial and those of a different nature (namely groups of intra-group accounts, creditors, various debtors, amounts due to associates, etc);

- Strengthening intra-group capital accounts (the shareholdings that a company has in another or more);

- Strengthening of the profit and loss account of by removing from income and expense intra-group transactions;

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- A consolidated highlight of short-term debt (less than 1 year - credit lines plus current portion of term loans Current portion of leases plus interest plus 1 year) and long term (over 1 year of credit portion plus the portion over 1 year lease);

In these circumstances, the Company, to provide useful information to users (in this case the bank) must be true, and not to reflect reality and not its constitution. The true image is based on ethical and moral concepts: truth, honesty, fairness, neutrality (Jianu I., Jianu I., 2011). These concepts are ensured by implementing agreed procedures performed by an independent auditor under a commitment made in accordance with International Standard on Related Services ('ISRS') 4400 Engagements to achieve the agreed procedures regarding financial information issued by the International Federation of Accountants ("IFAC") and adopted by the CAFR and the IFAC Code of Ethics.

ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, so if recipients have not requested that the Auditor also comply with the independence requirements of the Code of Ethics, there will be only the procedures set out in the letter issued by bank, the main user of the information for this commitment and report factual findings on those procedures in a report. Through professionalism, independent and transparent attitude in conducting audits by developing quality reports in accordance with international standards and the Code of Ethics of the profession, the auditor meets the public interest expressed regarding the accuracy of its business under evaluation, performing also a important social role (Neamțu H., 2011).

Therefore, the purpose of these procedures approved is established exclusively by the Employer and the procedures are performed solely to assist beneficiaries in understanding the financial position and results of exercise for the companies included in the consolidation.

Therefore Beneficiaries, including, in our case, the bank, requests this information and are interested in this type of information to determine the profitability and liquidity of the company, the financing of the property, the financial structure of the entity guarantees they can offer and any other information as to contribute to a better understanding of the capacity to repay the loan. For this purpose they "monitor" the company, trying to avoid the occurrence of underperforming credit. The use of accounting information by bank lenders has special character due to the nature and conditions of banking confidentiality (Horomnea E., Socea A.-D., 2010).

Because the procedures performed by the independent auditor is not an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, this mission does not express any assurance on the financial position and results of exercise on 31.12.2012.

Study of the literature

Both at national and international level the process of strengthening the individual financial statements is governed respectively by the Order of 29 October 2009 MFP nr.3055 for approval of accounting regulations compliant with European directives issued nationally and IFRS 10 Consolidated financial statements issued internationally. These rules provide both the target group of these rules and the description methods of consolidation. Also noted that both at national and international level, the consolidated financial statements were over time the subject of many research studies, articles or books that had often aim to support the practitioner. These studies debated over time we would like to mention the books: “Theory and Practice of groups of companies and consolidated financial statements " (Pitulice C., 2007), in which is found a foray into the corporate groups and situations consolidated financial statements and presenting numerous examples of international accounting practice, "Accounting Regulations 2010" (Măndoiu N., 2009), which describes procedures for consolidation of financial statements. Also on the subject have appeared various publications including: "The process of accounting innovation: the publication of consolidated accounts in Britain in 1910 ", (Edwards J.R., 1991) is discussed why the need and importance at the time of publication of the consolidated balance a group of companies in the UK to shareholders, "Analysis of the main changes and additions to the international financial reporting standards on enterprise groups and consolidation of accounts" (Minu M. and Săcărin M., 2009) , which includes a summary of the principal rules issued internationally on clusters and consolidation of accounts and new issues addressed by this standard. Previous research provides a comparative analysis of the consolidated financial statements and explain how IFRS or EU Directives affect the explanatory notes to the consolidated financial statements, especially regarding to the revaluation basis of the assets (Tamas Szora and Socol, 2011). Also, the mentioned paper indicates that IFRS or EU Directives have a significant influence on the audit of the group financial statements.

Research methodology

The aim of the research conducted is to present aspects of individual financial statements consolidation phases of nine companies included in the scope of consolidation, through the global integration method and factual findings proposed by the auditor in a report required by the bank lending decision. In light of the investigative process this paper is based on data interpretation methods, so that it prevails deductive approach from theory to practice, research inductive interference consisting empirical study conducted at SC ALPHA LTD (parent company) requesting a loan from the bank with the presentation of guarantees and by other companies within the group. Methods of analysis by the temporal criterion on consolidation process at a time, ie 31/12/2012 and recognition methods in the actual values of the elements were predominantly longitudinal.

In terms of the typology of the investigation, this paper is based on qualitative methods: documentation through analysis and systematic theoretical literature, the study of legal and professional rules main normative documents studied were the International Standard on Related Services (' ISRS ') 4400 Engagements to achieve agreed procedures regarding financial information, OMFP No. 3055/2009 for Accounting Regulations in accordance with European directives, user document analysis as a tool for qualitative method - empirical study that consists of steps to strengthen the individual financial statements presentation and eliminating intra- group effects on the consolidated financial position and performance of the consolidated entity, and synthesis found in drawing conclusions aimed at explaining and assessing the situation found.

Regulatory aspects on strengthening financial statements

National accounting regulations issued by the Ministry of Finance, respectively OMFP no.3055/2009 provides that "an entity shall prepare consolidated annual financial statements and consolidated management report if that entity, 'the parent company, is organized in one of the types mentioned in section 12 of these Regulations, is part of a group of entities and performs one of the following conditions:

a) holds a majority of voting rights of the shareholders or associates to another entity, hereinafter named subsidiary;

b) a shareholder or member of an entity and the majority of members of the administrative, management and supervisory entity (subsidiary) who have held office during the financial year, during the previous financial year and until the annual financial statements have been appointed solely as a result of the exercise of its voting rights ;

c) is a shareholder or associate of a subsidiary and has only control over majority of voting rights of the shareholders or associates of that subsidiary as a result of an agreement with other shareholders or associates;

d) is a shareholder or member of a subsidiary and has the right to exercise a dominant influence over the subsidiary under a contract with the entity or a clause in the articles of incorporation or statute, if applicable law permits such agreements or subsidiary clauses;

e) the parent company has the power to exercise, or actually exercises, dominant influence or control over a subsidiary;

f) a shareholder or member of a subsidiary and has the right to appoint or remove a majority of members of the administrative, management or supervisory bodies of the subsidiary;

g) the parent and subsidiary are managed on a unified basis by the parent company.

Regarding the consolidated financial statements in the same act, section 22 paragraph 1 indicates that 'consolidated financial statements comprise the consolidated balance sheet, consolidated profit and loss account and notes to the consolidated financial statements. These documents constitute a whole. "On consolidation procedures that are found in this legislation we will not insist, because this part is exposed in an array of empirical study on the following pages. Please note that this section only of the instrument is divided into three parts: the consolidated balance sheet, consolidated income statement and consolidated balance sheet common provisions and consolidated profit and loss account in which are described methods of consolidation.

Audit mission agreed procedures on synthetic consolidated financial statements performed by the independent auditor in SC ALPHA LTD parent company

Audit mission began by signing the actual service contract concluded with SC Alpha Ltd, a company contracting bank credit. Planning the next step in the engagement consisted of: designating remit and objectives of planning, customer knowledge, consent planning checklist information and not least the agenda, all achieved by effectively understanding the scope of consolidation. “Thus, the exercise of professional judgment falls under the influence of several factors, from the characteristics and particularities of the audited entity to the professional's qualities to apply its own judgment.” (Irimie-Popa E., Tiron-Tudor A., Span G. A., 2012)

Concrete, it has been obtained from the beneficiary a copy of the loan contracts concluded with the Bank, contract that gives information on loans contracted and guarantees provided by the companies that entered the consolidation. We also obtained copies of the individual financial statements submitted by each company at 31.12.2012 which entered into consolidation and analytical statements regarding transactions in the group analytic situation is found in the following pages. Therefore, we have studied and understood the terms and conditions of consolidation which is why we can move on to the next stage of the audit mission, the documentation.

Determinant conditions of the consolidation are:

- The existence of a common group of associates in all 9 companies (SC ALPHA LTD - contracting company , SC B LTD, C LTD, D LTD E LTD F LTD G LTD H LTD and SC I LTD) which entered into consolidation ;

- The existence of the bank loans taken by some of the companies that entered into consolidation loans secured by all companies that have entered the consolidation;

Consolidation’s perimeter = SC ALPHA LTD, SC B LTD, SC C LTD, SC D LTD, SC E LTD, SC F LTD, SC G LTD, SC H LTD and SC I LTD

Consolidation’s perimeter is shown in the following picture of consolidation (fig. no 1-2).

In this document the audit was based on agreed procedures, respectively procedures to strengthen the financial statements submitted under the letter issued by the bank calling on individual financial statements and consolidated financial statements synthetic and identification of specific items of interest to beneficiaries consolidation and in particular for the bank.

Consolidation method used is the **global integration method**, respectively of proportional integration related to holdings. We note that since in this mission as service contract concluded with the beneficiary has not asked for an audit of the factual findings relating to the consolidated financial statements of a group of companies, the auditor will not rule on prior work that should have been prepared before consolidation, work aimed at:

- Presentation of the fair value of all assets / liabilities, respectively performing revaluations, where presentations property items are not fair values.
- Harmonization of accounting policies used by the entity in the group of consolidation (primarily on depreciation, commissioning of material consumption, depreciation, etc.).

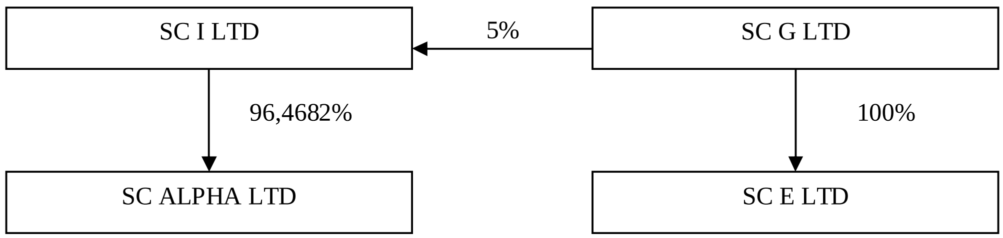

Figure no. 1 Panel of consolidation - the companies with equity adjustments

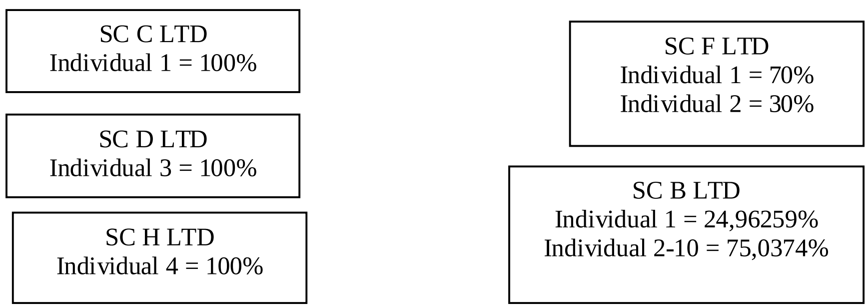

Figure no. 2 Panel of consolidation - the companies without equity adjustments

Legend:
SC I LTD = 79.097.581*96,4682% = 76.304.012,63 lei ;
where:
79.097.581 = capital
96,4682% = share stake of the capital
SC G LTD = owns 5% of the share capital of SC I LTD - in this case the law does not fix the capital as there was a position of control to justify consolidation
SC E LTD = 1.588.903*100% = 1.588.903 lei
where:
1.588.903 = capital
100% = share stake of the capital

Among the technical means used in this method of consolidation we mention that the technique applied was the aggregation of balances and not based on flows. Consolidation involves using information based on balances in the separate financial statements prepared at the end of each year. These are cumulative and subject to restatements and eliminations usually targeting current year and previous years (the last being required restatement in this case), so that by centralizing information is obtained summary consolidated balance upon which the consolidated financial statements.

Given that there are direct equity holdings between companies which have entered into consolidation, strengthening the balance sheet and profit and loss account was made by: Step 1: sum equivalent positions in the individual financial statements, resulting synthetic consolidated financial statements uncorrected with intra-group transactions in accordance with Table 1 - Table 2.

Table no. 1

Consolidated balance sheet without corrections

Company	Balance sheet			Liabilities				
	Assets	Current assets	Expenses in advance	Debts under a year	Debts over a year	Provisions	Deferred incomes	Equity
B	1,588,395	910,542	0	1,272,000	0	0	586,302	640,635
TOTAL	**2,498,937**			**2,498,937**				
ALPHA	106,969,806	91,546,901	14,115,467	57,758,469	7,540,140	0	68,235,984	79,097,581
TOTAL	**212,632,174**			**212,632,174**				
C	17,654,658	5,640,457	3,484,667	9,705,864	2,061,472	0	3,941,034	11,071,412
TOTAL	**26,779,782**			**26,779,782**				
D	27,655,932	13,328,568	2,770,795	12,012,091	5,293,524	0	17,849,534	8,600,146
TOTAL	**43,755,295**			**43,755,295**				
E	16,445,853	12,116,807	1,636	16,429,778	3,361,575	0	7,184,040	1,588,903
TOTAL	**28,564,296**			**28,564,296**				
F	205,082	5,745,051	761,649	3,284,368	3,087,518	0	310,896	29,000
TOTAL	**6,711,782**			**6,711,782**				
G	427,545	4,219,038	630,458	2,957,266	1,255,556	0	2,180	1,062,039
TOTAL	**5,277,041**			**5,277,041**				
H	18,098,153	20,916,646	912,955	8,201,609	0	0	23,975,880	7,750,265
TOTAL	**39,927,754**			**39,927,754**				
I	9276340	7,301,719	3,359,019	7,488,601	0	0	3,217,482	9,230,995
TOTAL	**19,937,078**			**19,937,078**				
GENERAL TOTAL	**386,084,139**			**386,084,139**				

(source: own projection)

Table no. 2.

Profit and loss without corrections

Company/Indicator	B	ALPHA	C	D	E	F	G	H	I	TOTAL GENERAL
Income from operations	3,017,844	110,767,548	27,460,460	19,290,607	17,039,469	936,981	431,012	2,511,741	1,761,291	183,216,953
Operating expenses	2,823,042	98,218,725	23,113,647	14,472,770	16,183,178	906,422	419,561	2,476,105	1,762,561	160,376,011
Exploitation profit / loss	**194,802**	**12,548,823**	**4,346,813**	**4,817,837**	**856,291**	**30,559**	**11,451**	**35,636**	**-1,270**	**22,840,942**
Financial income	204	1,904,174	230,346	283,297	484,907	8	26	53	48,541	2,951,556
Financial expenses	0	3,256,181	667,528	3,045,733	983,547	0	-12,632	0	0	7,940,357
Financial profit / loss	**204**	**-1,352,007**	**-437,182**	**-2,762,436**	**-498,640**	**8**	**12,658**	**53**	**48,541**	**-4,988,801**
Current Profit / Loss	**195,006**	**11,196,816**	**3,909,631**	**2,055,401**	**357,651**	**30,567**	**24,109**	**35,689**	**47,271**	**17,852,141**
Extraordinary income	0	0	0	0	0	0	0	0	0	0
Extraordinary expenses	0	0	0	0	0	0	0	0	0	0
Profit / loss on extraordinary	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total revenues	3,018,048	112,671,722	27,690,806	19,573,904	17,524,376	936,989	431,038	2,511,794	1,809,832	186,168,509
Total expenditure	2,823,042	101,474,906	23,781,175	17,518,503	17,166,725	906,422	406,929	2,476,105	1,762,561	168,316,368
Profit / loss before tax	**195,006**	**11,196,816**	**3,909,631**	**2,055,401**	**357,651**	**30,567**	**24,109**	**35,689**	**47,271**	**17,852,141**
Income tax	35,117	2,253,192	780,304	479,665	95,433	4,911	1,837	21,073	19,336	3,690,868
Net Profit / loss	**159,889**	**8,943,624**	**3,129,327**	**1,575,736**	**262,218**	**25,656**	**22,272**	**14,616**	**27,935**	**14,161,273**

(source: own projection)

Step 2: identification of intra-group transactions in 2012 and the selection of intra-group elements that affect the balance sheet (receivables - liabilities, revenues - projected expenses outstanding at 31.12.2012) and subject to adjustments on the consolidated balance sheet (Table 3). Also in this step no. 2 of consolidation has made the selection process of intra-group items affecting profit and loss (income - operating expenses recorded in 2012) and subject to adjustments on the consolidated profit and loss account (Table 4).

Step 3: Share of equity in consideration of direct equity holdings between companies that have entered the consolidation, according to Table 5, as follows:

- SC I LTD owns 96.4682% of the share capital of SC ALPHA LTD and therefore reinforce proportion to the percentage so that it eliminates the capital belonging to SC ALPHA LTD percentage of 96.4682% in correspondence with the holdings owned by SC I LTD;
- SC G Ltd owns 100% of the share capital of SC E LTD and thus reinforcing the global rate of 100% in the sense that it completely eliminates the capital of SC E LTD in correspondence with the holdings owned by SC G LTD;
- SC G LTD owns 5% of the share capital of SC I LTD - in this case the law does not fix the capital as there was a position of control to justify consolidation. In this definition we add that the definition of associated enterprise shows that there must be an investment in an entity for it to be considered for such an undertaking. IAS 28 Accounting for investments in associates do not have a minimum investment amount, but only specifies that the investor has notable influence (significant), which is the power to participate in decisions with financial or placed in the operation, and no control over them. In other words, what is really important is, first, the right to participate or influence, and not the actual exercise of power. In the Standard IAS 28 Accounting for Investments in Associates, paragraph 6 states, however, that the share of 20% of the voting power in a company that represents the minimum existence of the investor if the company invested in making a statement certify such an influence. It is obvious that a higher participation rate of 20% does not attest, necessarily, significant influence if there is a majority stake owned or controlled by another party, although such influence is not restricted necessarily to occur in such situations. Significant influence may be challenged and where the investor fails to materialize attempt to be elected to the board of directors or to obtain the appropriate financial information of the investee entity, or if the latter is opposed active investor intentions to exercise influence. For all these reasons there has been consolidation of ownership of 5% of the share capital of SC I LTD by SC G LTD.

Table no.3

Consolidated balance with corrections - intra-group transactions
(own projection)

	BALANCE SHEET			LIABILITIES				
COMPANY	**Assets**	**Current assets**		**Assets**	**Current assets**		**Assets**	**Current assets**
B	1,588,395	910,542	0	1,272,000	0	0	586,302	640,635
Corrections related to intragroup transactions		0		191,945				
Corrected TOTAL	**2,498,937**			**2,306,992**				
ALPHA	106,969,806	91,546,901	14,115,467	57,758,469	7,540,140	0	68,235,984	79,097,581
Corrections related to intragroup transactions		4,301,464						
Corrected TOTAL	**208,330,710**			**212,632,174**				
C	17,654,658	5,640,457	3,484,667	9,705,864	2,061,472	0	3,941,034	11,071,412
Corrections related to intragroup transactions		155,445.00						
Corrected TOTAL	**26,624,337**			**26,779,782**				
D	27,655,932	13,328,568	2,770,795	12,012,091	5,293,524	0	17,849,534	8,600,146
Corrections related to intragroup transactions		3,294,996						
Corrected TOTAL	**40,460,299**			**43,755,295**				
E	16,445,853	12,116,807	1,636	16,429,778	3,361,575	0	7,184,040	1,588,903
Corrections related to intragroup transactions				4,835,812				
Corrected TOTAL	**28,564,296**			**23,728,484**				

F	205,082	5,745,051	761,649	3,284,368	3,087,518	0	310,896	29,000
Corrections related to intragroup transactions				5,284,203				
Corrected TOTAL	**6,711,782**			**1,427,579**				
G	427,545	4,219,038	630,458	2,957,266	1,255,556	0	2,180	1,062,039
Corrections related to intragroup transactions				213,259				
Corrected TOTAL	**5,277,041**			**5,063,782**				
H	18,098,153	20,916,646	912,955	8,201,609	0	0	23,975,880	7,750,265
Corrections related to intragroup transactions		8,084,335						
Corrected TOTAL	**31,843,419**			**39,927,754**				
I	9276340	7,301,719	3,359,019	7,488,601	0	0	3,217,482	9,230,995
Corrections related to intragroup transactions				5,311,021				
Corrected TOTAL	**19,937,078**			**14,626,057**				
GENERAL TOTAL	**370,247,899**			**370,247,899**				

Table no. 4

Profit and loss with corrections – intragroup transactions

COMPANY/ INDICATOR	B	ALPHA	C	D	E	F	G	H	I	General total	Corections	Corrected Consolidated total
Income from operations	3,017,844	110,767,548	27,460,460	19,290,607	17,039,469	936,981	431,012	2,511,741	1,761,291	183,216,953	12,585,975	170,630,978
Operating expenses	2,823,042	98,218,725	23,113,647	14,472,770	16,183,178	906,422	419,561	2,476,105	1,762,561	160,376,011	12,585,975	147,790,036
Exploitation profit / loss	**194,802**	**12,548,823**	**4,346,813**	**4,817,837**	**856,291**	**30,559**	**11,451**	**35,636**	**-1,270**	**22,840,942**		**22,840,942**
Financial income	204	1,904,174	230,346	283,297	484,907	8	26	53	48,541	2,951,556		2,951,556
Financial expenses	0	3,256,181	667,528	3,045,733	983,547	0	-12,632	0	0	7,940,357		7,940,357
Financial profit / loss	**204**	**-1,352,007**	**-437,182**	**-2,762,436**	**-498,640**	**8**	**12,658**	**53**	**48,541**	**-4,988,801**		**-4,988,801**
Current Profit / Loss	**195,006**	**11,196,816**	**3,909,631**	**2,055,401**	**357,651**	**30,567**	**24,109**	**35,689**	**47,271**	**17,852,141**		**17,852,141**
Extraordinary income	0	0	0	0	0	0	0	0	0	0		0
Extraordinary expenses	0	0	0	0	0	0	0	0	0	0		0
Profit / loss on extraordinary	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**		**0**
Total revenues	3,018,048	112,671,722	27,690,806	19,573,904	17,524,376	936,989	431,038	2,511,794	1,809,832	186,168,509		173,582,534
Total expenditure	2,823,042	101,474,906	23,781,175	17,518,503	17,166,725	906,422	406,929	2,476,105	1,762,561	168,316,368		155,730,393
Profit / loss before tax	**195,006**	**11,196,816**	**3,909,631**	**2,055,401**	**357,651**	**30,567**	**24,109**	**35,689**	**47,271**	**17,852,141**		17,852,141
Income tax	35,117	2,253,192	780,304	479,665	95,433	4,911	1,837	21,073	19,336	3,690,868		3,690,868
Net Profit / loss	**159,889**	**8,943,624**	**3,129,327**	**1,575,736**	**262,218**	**25,656**	**22,272**	**14,616**	**27,935**	**14,161,273**		14,161,273

Table no. 5

Consolidated balance sheet with corrections
(own projection)

Company	Balance sheet			Liabilities				
	Assets	Current assets	Expenses in advance	Debts under a year	Debts over a year	Provisions	Deferred incomes	Equity
B	1,588,395	910,542	0	1,272,000	0	0	586,302	640,635
Corrections related to intragroup transactions		0		191944.83				
Corrected TOTAL		2,498,937				2,306,992		
ALPHA	106,969,806	91,546,901	14,115,467	57,758,469	7,540,140	0	68,235,984	79,097,581
Corrections related to intragroup transactions	0	4,301,464						76,304,013
Corrected TOTAL		208,330,710				136,328,161		
C	17,654,658	5,640,457	3,484,667	9,705,864	2,061,472	0	3,941,034	11,071,412
Corrections related to intragroup transactions		155,445.00						
Corrected TOTAL		26,624,337				26,779,782		
D	27,655,932	13,328,568	2,770,795	12,012,091	5,293,524	0	17,849,534	8,600,146
Corrections related to intragroup transactions		3,294,996						
Corrected TOTAL		40,460,299				43,755,295		
E	16,445,853	12,116,807	1,636	16,429,778	3,361,575	0	7,184,040	1,588,903
Corrections related to intragroup transactions				4,835,812				1,588,903
Corrected TOTAL		28,564,296				22,139,581		
F	205,082	5,745,051	761,649	3,284,368	3,087,518	0	310,896	29,000
Corrections related to intragroup transactions				5,284,203				
Corrected TOTAL		6,711,782				1,427,579		
G (100% din SC E LTD)	427,545	4,219,038	630,458	2,957,266	1,255,556	0	2,180	1,062,039
Corrections related to intragroup transactions	1,588,903			213,259				
Corrected TOTAL		3,688,138				5,063,782		
H	18,098,153	20,916,646	912,955	8,201,609	0	0	23,975,880	7,750,265
Corrections related to intragroup transactions		8,084,335						
Corrected TOTAL		31,843,419				39,927,754		
I (96,4682% din SC ALPHA LTD)	9276340	7,301,719	3,359,019	7,488,601	0	0	3,217,482	9,230,995
Corrections related to intragroup transactions	76,304,013			5,311,021				
Corrected TOTAL		-56,366,935				14,626,057		
GENERAL TOTAL		**292,354,984**				**292,354,984**		

So, on the division of equity sharing is technically performed by removing the consolidated financial statements of capital held by an entity to another entity in correspondence with the removal of the same amount of such financial securities held by the investor (entity controls), noting that these adjustments to the entity that controls just were not possible due to financial securities as these financial assets are stated at historical cost and equity securities acquired on account of these the entity that is controlled, are much higher, as activity as a result of the acquisition of such securities. In this regard invoke MFP Order no. 3055 of 29 October 2009 approving the Accounting Regulations in accordance with European directives, which provides long-term securities (shares and other financial investments) are valued at historical cost less any impairment adjustments. Also it is mentioned that the total consolidated equity is not affected by any revaluations of land and other property held by companies in the group.

Step 4: Selection of intra-group elements not covered by the balance corrections, respectively the profit and loss account (transactions that represent revenue for the company and the other company asset growth recorded in 2012). We note, however, that in case these transactions have been no detailed corrections as the final destination of the assets in question (eg consumption, resale etc.), depending on the corrections to be made, but this kind of corrections can be detailed only after the individual identification of each transaction.

Finally, we mention that any audit engagement whether financial audit / statutory conducted under ISA, whether it is based on a commitment audit conducted in accordance with International Standard on Related Services ('ISRS') 4400 Engagements agreed-upon Procedures regarding Financial Information issued by the International Federation of Accountants ("IFAC") and adopted by the CAFR and IFAC Code of Ethics, after the verification is complete and issue a report "the audit report is the final product the financial auditor's work and the only document that can be appreciated by its professionalism" (Pop I. I., 2012) or how Prof. Neamtu Horia said in an interview "ultimate goal is the commitment of the auditor to itself as a professional." (Neamțu H., 2011)

Conclusions and limitations of the research

This study aims to provide a representative picture of a "different" audit mission, an assignment made in accordance with International Standard on Related Services ('ISRS') 4400 Engagements to achieve the agreed procedures regarding financial information issued by International Federation of Accountants ("IFAC") and adopted by the CAFR and the IFAC Code of Ethics, mission that ended with the issuance of a report required indirect beneficiary (bank) in the analysis of client activity mainly in the analysis of financial issues related lending . Thus, "the diverse situations faced by an auditor and cannot be regulated in a manner specified exactly.

Finding such circumstances is at the discretion of the auditor and their professional judgment. "During their audit on related services to obtain a report on factual findings that meet the information needs of the beneficiary, the auditor uses a number of analytical procedures have judgment. In conclusion, in this study objectives were met and discussed research methods outlined in the previous pages within this research but from insufficient information to develop and analyze business forecasts beneficiary. However, this mission involves the use of methods of interpretation of the data submitted by the client enabled the bank to establish an appropriate structure of the loan. As limitations of the engagement described above, limits while constituting directions considered in other similar missions, for users of these consolidated financial statements are:

- Highlighting in consolidated equity, capital actually associates' contributions, to those created internally and by the revaluation;
- Harmonization of intra-group accounting policies and related corrections where they are different policies (primarily depreciation on the release for consumption of material goods, depreciation etc.).
- Testing the fair values of assets and liabilities that go into building and making corrections where necessary;

- Identify those transactions that represent revenue for the company and increase assets to another registered society respectively the final destination of the assets in question (eg consumption, resale etc.) And individual corrections for each transaction;

All such limitations and ways forward, in so far as followed (according to the procedures agreed with the beneficiaries and the existence of material, financial and human resources, assessed as consistent), all point to additional qualitative audit mission on consolidated financial statements.

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