

PECULIARITIES OF INFORMATION MANAGEMENT SISTEM AT AUDIT ENTITIES

Alexandru LEAHOVCENCO ¹, PhD Student

Abstract: *The development of civilized countries is taking place in the direction of creating an information society. In this regard, it becomes obvious that it is necessary to ensure effective management of informatization tools - management-at all stages of their life cycle: it is the effectiveness of management in the field of informatization that largely determines the pace of scientific and technological progress.*

The presence of more powerful and efficient information systems that allow you to effectively create, accumulate and use operational and complete information gives companies an advantage over competitors, and inattention to the quality and efficiency of information systems leads to the loss of positions. The business models of many modern companies are strongly dependent on the applied methods of information technology management (IT). In developed countries, IT management has transformed over the past decade from a business support function to a tool for improving efficiency and (at least in some cases) driving business innovation and digital transformation. This article discusses the issues of information management and its features at audit enterprises.

Key words: *information, management sistem, audit*

JEL CLASSIFICATION: M15, M42

1. Introduction

Nowadays, more than ever, there is a need for the correct construction of information management of any enterprise. It should be noted that in the economic literature, such definitions as information system of management and information management of an enterprise are studied.

Maeve Cummings Professor of Accounting & Computer Information Systems at Pittsburg State University in Pittsburg in her article *What Is a Management Information System?* gives the following definition: *“in business, management information systems (or information management systems) are tools used to support processes, operations, intelligence, and IT. MIS tools move data and manage information. They are the core of the information management discipline and are often considered the first systems of the information age”*. [1]

Using an management information system can improve the performance of a company in many ways. R. Kelly Rainer, Professor at Auburn University says, *“any organization that does not use MIS simply will not exist for long. This statement would not have been true a couple of decades ago, but computer-based information systems are now essential to the survival of any organization.”* [2]

At the same time, it is necessary to distinguish between the information system of management and information management of the enterprise. Let's analyze these definitions in the light of the enterprise as a whole and especially for the audit firms.

2. Results and discussions

Information management is directly related to information activities of the organization. In various sources sometimes there are the contradictory definitions of information management, but they can be brought together, since they all agree that information management is:

- ✓ *management of information department(or IT) of organizations;*
- ✓ *management of information systems, flows and resources;*

¹ ASEM, str. Banulescu-Bodoni 61, MD-2005, Chişinău, R. Moldova, tel. 022 22-41-28
alexandru.leahovcenco@ase.md

- ✓ organization, or, which is the same, the management of the corporate information;
- ✓ management of personnel employed in the field of informatization.

The concept of information management goes back to the concept of management of information resource, which is the purposeful use of information by an organization. M. Attinger introduces the concept of integrated information management. [3] He sees its distinctive feature as the creation of such an information infrastructure that provides the necessary level of coincidence and correspondence of all components.

T. N. Ananyeva defines information management as the general planning and management of information processes and information infrastructure in an institution. [4] Information management is the management of information in order to improve the efficiency of decisions made by the management apparatus.

Then, information management includes: planning, organization, coordination and control of information activities and processes, as well as communication within the organization in order to improve the quality and efficiency of its work. Thus, information management as a scientific and practical discipline includes knowledge from 15 many related disciplines of computer science and management, which allows in practice to move to an information-oriented type of organization characteristic of the modern information society.

After analyzing this information, the author gives the following definition of information management: *it is a complex system consisting of tools, processes, information flows in order to ensure the management of an enterprise at a high, effective level.*

In this regard, the following components of information management can be considered.

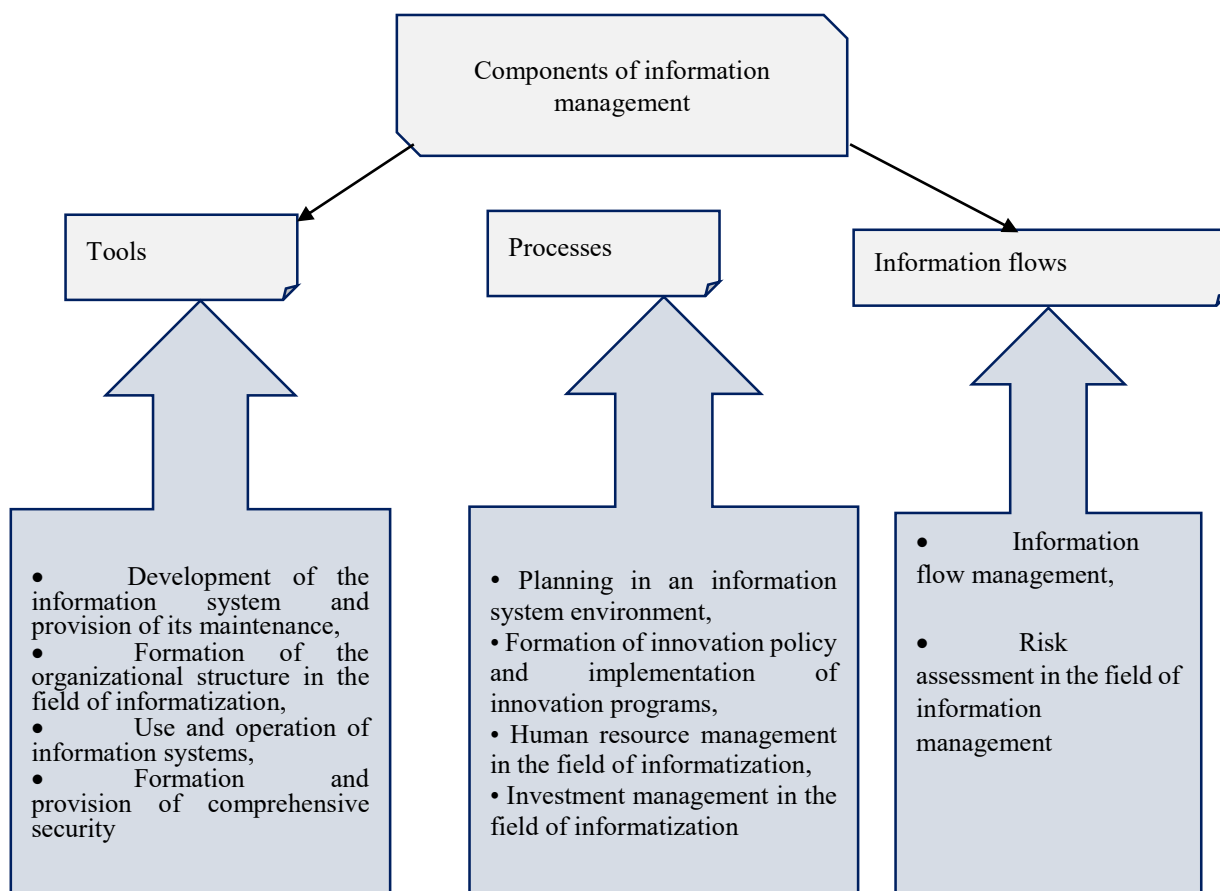


Figure 1. Information Management Elements
Source: elaborated by the author

Analyzing the information presented in Figure 1, it can be stated that the information management system, through the management of information flows, is included in the information management of the enterprise.

Information management at an audit firm has a number of features, based on the characteristics of the activities of these enterprises, as well as the services they provide. Let's analyze the market of audit services in the Republic of Moldova, analyzing the data provided by the Audit Supervision Council for 2020. As of December 31, 2020, there were more than 110 audit firms in the Republic of Moldova. Auditing firms can provide the following types of services: audit of individual and consolidated financial statements, consulting services (in the field of taxation, financial management, etc.), as well as accounting. Below is information about the number of audit firms and the services they provide in the Republic of Moldova.

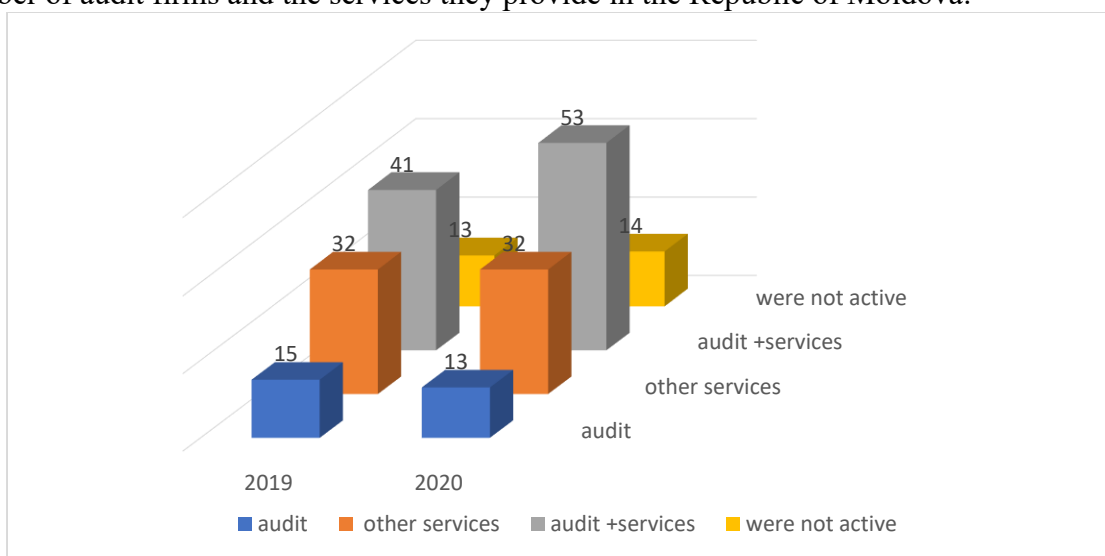


Figure 2. Distribution of audit firms in RM by services provided in dynamics

Source: elaborated by the author based on materials presented by Audit Supervision Council's report for 2020.[5]

It should be noted that the income from sales of audit firms from the audit of financial statements and the provision of other services varies significantly, this information is presented in the following figure.

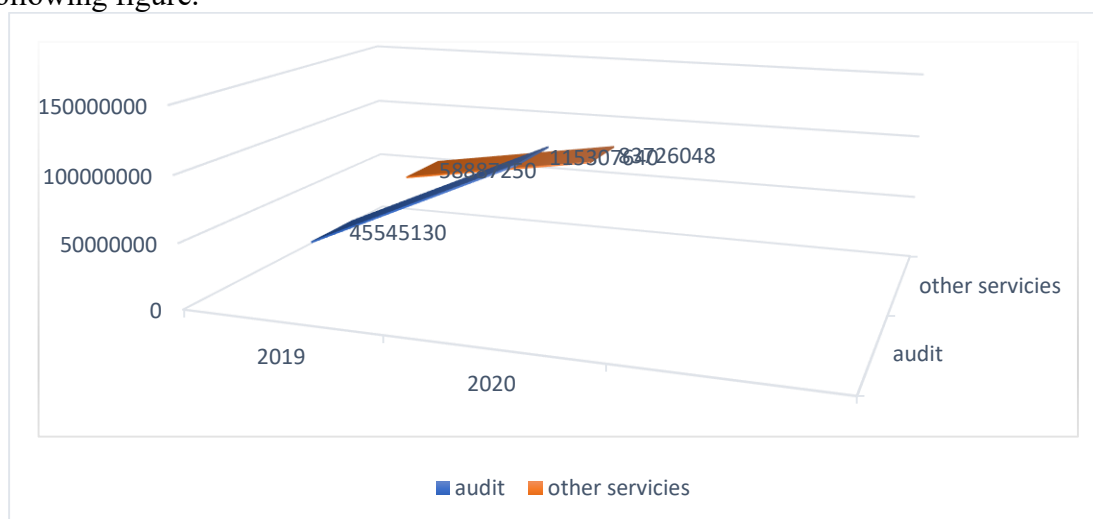


Figure 3. Income from sales of audit firms in Moldova, by services provided in dynamics, lei

Source: elaborated by the author based on materials presented by Audit Supervision Council's report for 2020.[5]

The main type of services that audit firms from the Republic of Moldova provide are: audit of financial statements. By analyzing the information flows of the audit firm during the audit of financial statements at the audited enterprise, it is possible to optimize this flow, which is presented in the following figure.

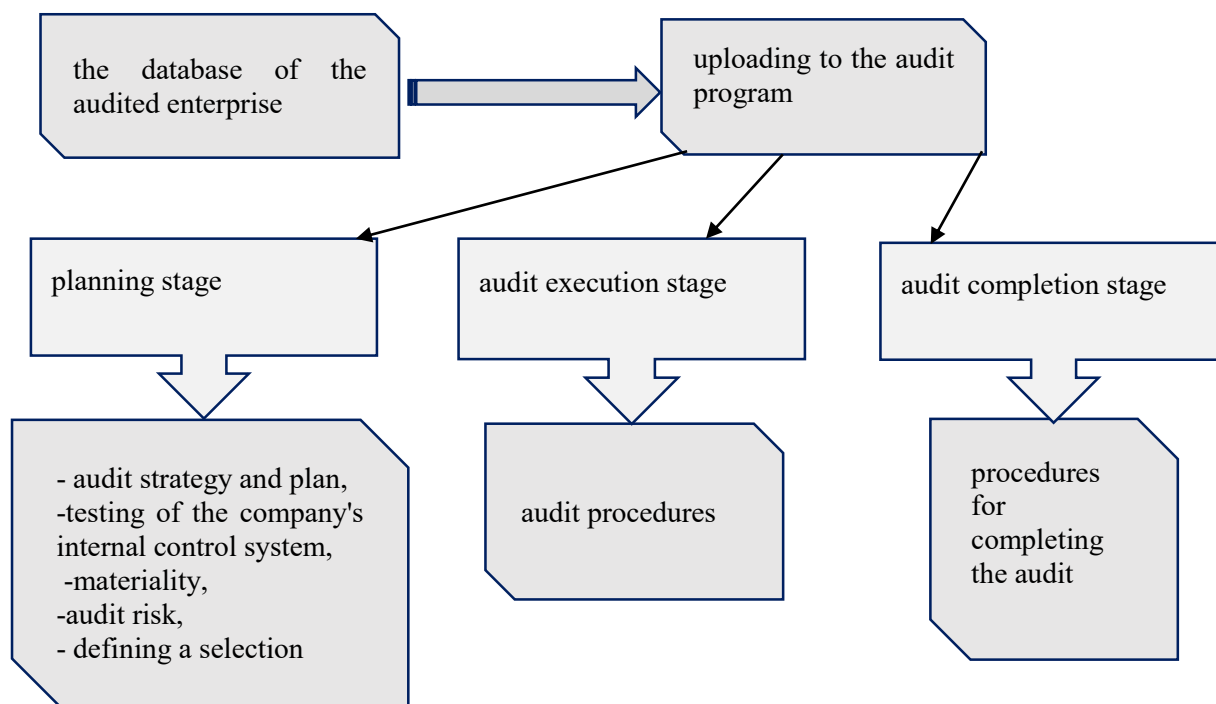


Figure. 4 Information flows in the audit of financial statements

Source: elaborated by the author

Analyzing the information presented in this figure, it should be stated that at each stage of the audit there is an urgent need to optimize information flows.

At each stage of the audit of financial statements, there is a need to optimize information flows. So at the planning stage, for the correct drawing up of the strategy and audit plan, it is necessary to obtain high-quality information about the audited enterprise, the features of its activities, to assess the effectiveness of the internal control system of the audited enterprise. By calculating audit risk and materiality, the auditor will be able to determine the sample size when auditing various elements of the financial statements.

3. Conclusions

One of the most important tasks of the present time can be called the improvement of management processes, including the use of modern information technologies is the key to the effectiveness of almost any entities. Effective management of an entity today is impossible without managing its information activities, the entire system of corporate information.

The rapid development and spread of new information, as well as telecommunications technologies, is becoming a global information revolution today, which has an increasing impact on influence on politics, economics, management, finance, science, culture and other spheres of society's life within national borders and in the world as a whole.

In modern conditions of global socio-economic development, the role of information support for the management process has increased, consisting in the collection and processing of information necessary for making informed management decisions. The interest in management problems on the part of managers is constantly growing. Effective management methods are

increasingly recognized as a necessary tool for a competent conducting business, a factor in the growth of the competitiveness of the entity.

In modern conditions, effective management is a valuable resource of the organization, along with financial, material, human and other resources. Consequently, increasing the efficiency of management activity becomes decisive in improving the activities of the enterprise as a whole. In recent years, a significant part of the discussions concerning the development of corporate management has been taking place from the perspective of the practical application of modern information technologies.

Problems the construction of complex management systems has grown into a separate branch of management science and has become the reason for the development of an entire high-tech industry.

In conclusion, it should be noted that in this article, analyzing various approaches to information management, the author gives a refined definition of information management. Considering the elements of information management, such a component as risk assessment in the field of information management was proposed.

For the purpose of optimization, Information flows were considered during the audit of financial statements.

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