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THE ROLE OF FORENSIC ACCOUNTING IN CORPORATE GOVERNANCE FOR ECONOMIC SOCIETIES

Summary: *Accounting fraud, fraud and financial crime are an increasingly serious global problem. Incorrect financial statements provide a misleading picture of the yields and financial situation of the company. Decisions made by investors and other users of financial statements on the basis of wrong financial information inflict huge damage on information users, but also to the general public. In order to successfully combat fraud and restore confidence in the financial statements, the development of forensic accounting as a new discipline in accounting involves examining and interpreting evidence, and fact and giving a particular opinion. Forensic accounting is a special branch of accounting, which deals exclusively with assessments of legal and professional recording and reporting.*

The financial crisis and trends in corporate governance led to a sharp increase in the number of financial frauds, which jeopardized the trust of a large number of users in financial information disclosed in the financial statements. Because of this, the great struggle of countries around the world was forced to find an answer to the mentioned affair, on the basis of which the mentioned affair, criminal acts, bringing new regulations and strengthening the regulatory framework with the aim of encouraging companies to strengthen their own controls. The contemporary concept of corporate governance clearly emphasizes and separates the responsibilities of each of the key factors that make it into financial reporting. The key responsibility lies with the management board of the corporation and its management, and accountants play a very important role.

The subject of research is the application of forensic accounting in the company's financial statements, in order to increase the reliability and credibility of the presented accounting information and enable more efficient corporate governance for users, managers, business owners and potential investors. Considering the flexible accounting regulatory framework, the quality of the presented accounting information in the financial statements and the efficiency of corporate governance is questionable.

Key words: *corporate society, forensic accounting, fraud, corporate governance*

JEL classification: *M41, M41, M48*

INTRODUCTION

Real financial reporting implies that the financial statements have been prepared in accordance with the prescribed legal framework for financial reporting, in accordance with the principles of sound accounting and in accordance with accounting regulations and standards, that they do not contain materially significant errors and irregularities, that is to give a true and fair view business success.

The users of the financial statements expect to find in their financial statements understandable, relevant, credible and fair information about the liquidity, repatibility and

efficiency of asset management in the company, on the basis of which they will make decisions on investing funds.
Investors of funds must have financial reports that accurately reflect the financial position, financial performance and cash flows of the observed economic entity, that is, financial statements that in a fair (fair) manner illustrate the effects of transactions and other events in accordance with the definitions and criteria for recognition of assets, liabilities, income and expenses, as defined by the Framework for preparation and presentation of financial statements. They need them in the business decision-making process, therefore it is understandable the company's desire to try to satisfy different users in the external reporting: owners, creditors, suppliers, customers, employees, the wider social environment, and eventually the state. With the development of the world market there is a rapid rise in financial fraud, which diminishes the objectivity and reliability of financial reporting. In an effort to reduce the number of frauds and to restore confidence in the financial statements, a new accounting direction called the forensic accounting has emerged. Forensic accounting is a science of recent date, but it exists since the beginning of malversations and fraud and the one who performs forensic accounting, is called forensic expert or forensic accountant forensic. Each company must have a proper management and governance system that prevents and / or detects the emergence of entrepreneurial crime.
The aim of the research is to contribute to a better presentation of accounting information by economic entities and to help owners of companies, managers and other interested users in more efficient making of business, financial and investment decisions based on theoretical settings and empirical research of the application of forensic accounting in the preparation of financial statements. ie. more efficient corporate governance in a business entity.

1.PRODUCTION, DEVELOPMENT AND ENCOURAGEMENT OF FORENZIC ACCOUNTING

Scientists believe that forensic accounting dates back to ancient Egypt, citing forensic accountants who have recruited Pharaoh's assets, such as cereals and gold. How important their role was, is the fact that they called them "the eyes and ears of Pharaoh" (Crumbley 2001, 181-202). For evidence found indicating embezzlement or bribery, various punitive measures were established, although they were much more rigorous than today. Early signs of forensic accounting indicate a period between 3,300. and 3.500. year before the new era, where there is archaeological evidence that in ancient Egypt accountants or scribes supervised monetary transactions using damp clay plates or papyrus. In the 1800's Hamurby Code, a problem of fraud was highlighted, stating that if a shepherd who was entrusted with the custody of sheep is wrongly showing the sheep's increase or selling them for money, he will be found guilty and will be obliged to pay the owner ten times more than the estimated loss. Furthermore, there are indications of forensic accounting in India between 321 and 184 before the new era, where a detailed list was found that comprised about 40 criminal offenses characterized as embezzlement. Penalties for the offense were applied due to various irregularities, whether due to negligence, incompetence or premeditated and deliberately committed fraud.
The word forensics comes from the Latin word forensis, which means a forum or "one on the market". In ancient Rome, a forum or square represented the venue of various commercial and state affairs and the place of trial. The forerunner of forensic research accounting was found in Spain in the XIX century, in the records of Pedro Antonio Alarcón, who described a story about pumpkins and tomatoes. The beginnings of true forensic accounting are related to the Meyera v. Sefton trial of 1817, where they were charged with causing bankruptcy.
The belief that the name Forensic Accounting was first used by Maurice E. Peloubet in 1946 in his Forensic Accounting: Its Place in Today's Economy. He said that during the war both public and industrial accounting had remained in the function of forensic accounting, pointing

out that forensic accounting had only been used in the courtroom until then, and that the prepared financial statements did not have all the characteristics of forensic accounting.
The first book on forensic accounting was written by Francis C. Dykeman in 1982. Vinko Belak published in 2011 a book in the field of forensic accounting, "Business forensics and forensic accounting". Prof.dr.sc. Vinko Belak defines forensic accounting as "the application of investigative and analytical skills in order to uncover manipulation in financial reports that deviate from accounting standards, tax laws and other legal provisions" (Belak 2011, 2).
Telpner states in his book that his first forensic engagement was in 1961 when he was given a case of embezzlement by Elizabeth Kenney in Minneapolis. Subsequently, the same author claims that he also discovered forged documents and inventory theft done by the head of the subsidiary gas distribution company (Crumbley and Apostolou 2007, 16-19).
In the United States, there are a number of organizations that support the use of forensic accounting and prescribe stringent standards in this area. Some of them are: Association of Certified Fraud Examiners, American College of Forensic Examiners, Association of Certified Fraud Specialists, National Association of Certified Valuation Analysts, American Institute of Certified Public Accountants etc. (Budimir 2013, 2-3) . They are present in professional and scientific literature different definitions of forensic accounting. For example, Dr Vinko Belak forensic accounting defines: "the application of investigative and analytical skills to detect manipulation in financial statements that deviate from accounting standards, tax laws and other legal provisions" (ibid. P. 2). Dr. Franc Koletnik under forensic accounting considers "special advisory activity that deals with the investigation, proving and prevention of economic-criminal and other unacceptable actions" (Koletnik 2011, 21).
According to Bologna and Lindquist Forensic Accounting, a financial investigation is described that can lead to a court case. According to these authors, this discipline refers to the application of financial information and facts in the resolution of litigation (Bologna and Linquist 2003, 54).
Owojori and Asaolu, they observe forensic accounting in the context of the practice of using accounting, auditing and investigative skills in legal matters and the application of specific knowledge in proving economic transactions (Owojori and Asaol 2009, 184).
The accounting profession as a whole, aware that it is not possible to completely prevent the compilation and publication of misleading financial statements, considers it necessary to discover, investigate and sanction all fraudulent actions that arise in the financial reporting process. To this end, a new branch is emerging in the accounting profession through the appearance of authorized fraud investigators or otherwise - forensic accountants.
For the purpose of successfully combating fraud and recovering confidence in the financial statements, the development of forensic accounting as a new discipline in accounting implies the examination and interpretation of evidence and facts and the giving of a particular opinion.
The most common reasons for the development of forensic accounting are the disadvantages of specialized knowledge and experience, which are necessary in forensic testing. Forensic accountants use accounting, auditing, investigative thinking and skills to detect and solve financial and accounting problems in the company's business, arising from non-professionalism and unethical behavior. Forensic accounting is a special branch of accounting, which deals exclusively with assessments of legal and professional recording and reporting.
Provision of understandable, relevant, comparable and reliable financial information through the presentation of financial statements should be declared the primary task and role of the administration, internal audit, audit committees, external auditors, forensic accountants and auditors, as well as regulatory and supervisory bodies that need to create an adequate normative framework and ensure its strict application.
In the history, many accounting scandals have been recorded in accounting Shenanigans and various Tricks and Gimmicks, among which are the most famous: "Helmsley Enterprises"

Inc. (United States) in 1986, "Polly Peck" (Great Britain) in 1990. "Maxwell Communications" (United Kingdom) in 1992, Enron (USA) in 2002, "Tyco" (USA) in 2002, "WorldCom "Inc. (USA) in 2002, "Parmalat SpA" (Italy) in 2003, America OnlineInc. (AOL) (USA), Bernard L. Mardoff Investment Securities LLC (USA) in 2009, Satyam Computer Services (India) in 2009, etc.
According to the General Accounting Office of the United States (GAO) there is a strong emphasis on preventing and detecting fraud during statutory audits. In fact, the United States and international standard setting have increased the auditor's responsibility to consider the risk of fraud while carrying out a revision of the financial statements. Even a call for stronger forensic skills among those who perform these audits. All normal statutory audits should contain some elements for a forensic investigation, as evidence of fraud can be easily detected if the adequacy and compliance of the internal control mechanism is thoroughly assessed. All this is aimed at preventing and detecting fraud (Eme 2011, 27).

1.1. The goals and tasks of forensic accounting

Forensic accounting represents the application of accounting principles, theory and discipline on facts or hypotheses in litigation, and encompasses every branch of accounting knowledge. Forensic accounting consists of two main components:
• litigation support services in litigation that recognize the role of forensic experts as an expert or consultant; and
• Investigative services that can or can not lead to testimony in the courtroom.
An objective verification of financial events is identified as the primary goal of forensic accounting. The goal of forensic accounting is to improve the financial reporting process
in the part of objectivity and reliability. It should eliminate all the shortcomings of the previous types of supervision that did not give their contribution in the detection of fraud, embezzlement and other criminal activities, as well as in the judicial processing of perpetrators of these acts (Aleksić and Gligorić-Vujnović and Uremović 2015, 231). Often forensic Accountants call the courts as witnesses, experts in the courts, both on the prosecutor's side and on the defense side. On the other hand, in criminal cases, a forensic accountant may be required to present bunker details of a committed fraud, identify fraud, money laundering, and the like.
Forensic accounting implies knowledge of regulations and the application of special skills in the fields of accounting, auditing, finance, quantitative methods and investigative skills for the collection, analysis and evaluation of evidence materials, interpretation of them, and disclosure of findings in the form of reports. Forensic accounting is a particular type of financial knowledge that is aimed at detecting and preventing.
Forensic accounting involves procedures, methods and techniques in order to determine what is in the business:

- mistakes it wrong,
- misrepresents and reports,
- whether there are bribery and corruption,
- there is a fraud or intent to deceive,
- whether theft,
- Is there money laundering,
- whether there is distortion of information,
- whether there is extortion,
- whether there is forgery and the like (Belak 2011, 41-42).

According to Hoopwood, Leiner and Young, forensic accounting represents the application of research and analytical skills to address financial issues in a way that meets the standards required by the courts (Hoopwod and Leiner and Young 2014, 4-5).

The basic tasks of forensic accounting are as follows: analysis, interpretation, summarization and presentation of interconnected business-financial items, so that they are understandable and certain evidence is supported.

1.2. The importance of forensic accounting and the role of a forensic accountant

The development of forensic accounting in the Republika Srpska has been inevitable for several reasons, and among them the special emphasis is given to the lack of special knowledge and experience of external and internal auditors, tax auditors, inspectors and accountants in the investigation of punishable and other illegal activities, and the expert opinion on the legal , business and other needs.

The significance of forensic accounting is also reflected in criminal matters, because if there are criminal acts, it implies that accountants and auditors are in the dispute because they classify and evaluate financial transactions that at the time appear to be irregular, such as the illegal gain of criminal activity by suppliers and buyers, and the like.

Contribution to the development of forensic accounting is also reflected in insurance claims in the state sector as forensic accountants can provide help because they comply with legal regulations.

Part of forensic accounting refers to court support. Judicial support implies that forensic accountants are in the role of an assistant to a lawyer in the defense of a case in the legal system or in the lawsuits. Forensic accountants help lawyers to resolve court disputes and court support services related to consulting, service expertise and other services.

Forensic accountants can be subdivided into internal auditors, commercial accounting forensics, state inspectors and court experts and their services are few, such as detection: fraud, fraud, tax evasion, false bankruptcy, professional negligence and mistakes, fake documentation, employee theft , risk management assessments, estimates of transaction fraud.

The role of a forensic accountant is to combat financial fraud in a professional manner, knowledge and experience. It requires a high level of professional competence and intuition. The key forensic accountant jobs are:

- to check and evaluate the suitability or inadequacy of overcoming business risks in order to prevent, detect and prove fraud, or other illegal activities,
- Based on credible evidence, gives an independent and impartial opinion on the causes of fraud and other illegal activities,
- to analyze the causes and consequences of fraud and other illegal activities and the impact on accounting and financial reporting,
- to discover and analyze disputed, or questionable affairs, events, processes and states,
- to discover and analyze the deliberate or inadvertent concealment of the actual image of business events, processes and situations,
- to detect and analyze untrue and unfair financial reporting,
- to give an independent and impartial opinion on the activities within the economic position and the business success of the company for which there is a justified suspicion of their legality,
- recommends improving fraud detection systems by observing the Code of Business Ethics and Key Indicators for Suspicion of Fraud and Other Illegal Actions.

Forensic accountants must have credibility, have to be educated in their fields, have sufficient knowledge and skills, must be recognized members of their profession or be specialized in a particular aspect of practice that is relevant to the given subject.

The forensic accountant must have an interdisciplinary knowledge that includes knowledge of accounting and auditing, statistics, information technology and economics, knowledge of regulations, investigative skills and techniques, developed communication power (both verbal and non-verbal), the ability to see details, and the like.

There are many skills and characteristics that are necessary for successful forensic accountants. Effective forensic accounting requires:

- education and training,
- advanced and continuous education in appropriate disciplines,
- diversified experience of accounting and auditing,
- communication skills - oral and written,
- Practical business experience,
- diversified experience of forensic audit,
- ability to work in a team environment, i
- skills and flexibility of people (Nunn and McGuire and Whitcomb and Jost 2006, 2).

It is evident that the need for forensic accountants will be increasing and that their expertise will be necessary in the future. However, it is also necessary to understand their scope of work in order to determine the importance and necessity of their application for the preservation of corporate governance and the smooth functioning of a business.

1.3. Procedures for Forensic Computing

In the process of carrying out his task, the accountant forensic uses various procedures to determine the areas of fraud committed. Analytical procedures are those that dilute the problem to detail and analyze comparatively interconnected business segments, and these relationships can ultimately imply the possibility of fraud. Analyzing procedures in forensics have three primary objectives:

- Preliminary (preparatory) analytical procedures are used to detect areas of high risk of fraud, their nature, time and degree of implementation of necessary forensic procedures,
- Independent analytical procedures are used to obtain evidence based on comparison and alignment of data, as well as establishing the credibility of documentation, posting and accounting,
- Final analytical procedures serve to make conclusions about the impact of problematic transactions on the financial statements.

Forensic in his work uses analytical techniques for analyzing the relationship between items in the financial statements, or analysis of business transactions. Investigative forensic accounting techniques are:

- Horizontal analysis - which compares items from the current period with the same items from the previous period,
- Vertical analysis - which compares the percentage shares of individual items in the financial statements, e.g. percentage of expenditures in revenue, income in revenue, and the like,
- Comparison of detailed items in the financial statements - with the same or similar items from the previous periods,
- ratio analysis - in the financial statements in the areas of profitability, liquidity, solvency, activity and value creation.

Forensic accounting is a special type of financial knowledge whose purpose is to be scaled and discovered (Koletnik and Koletnik-Korošec 2011).

1.4. Accounting manipulations in the financial statements

The goal of each company, or each legal entity, is to successfully operate. Performance can best be seen from the presented financial statements, provided that the financial statements present a credible picture of the yield position and the financial situation of the enterprise. Business data will both serve both the internal and external users of information as a good basis for making economic decisions, or undertaking appropriate actions. The most important internal users of accounting information are the company's management bodies. They are also the most responsible for the business of the company, and therefore, they are most interested in achieving the highest possible result and the most favorable property situation.

In the national and international context, global market development in the world has seen more and more frequent scams. In order to understand the purpose and importance of fraud in the financial statements, one must first make a distinction between fraud and error. Though the result is the same, presenting inaccurate financial information, there are significant differences between mistakes and fraud. In contrast to the mistake, they are cheating, characterized by the existence of a conscious intention of the persons responsible for compiling and disclosing financial statements to "creatively" present data in order to achieve some specific goals (showing increased effects of business or concealing losses) (Stančić and Dimitrijević and Stančić 2013, 1884).

Accounting theory and practice recognize different fraud indicators, but their presence in a particular entity depends on whether there are elements of the triangle of fraud, pressure, the ability to deceive, as well as the propensity of employees to manipulate with different manipulations.

The notion of deceit implies, "all the different ways that human ingenuity can devise, which are exploited by individuals, in order to gain benefits, in relation to others, through false representations. No definite and unchangeable rule can be set as a general proposition in defining illegal actions, as they include surprise, cheating, cunning, and unwanted ways in which someone is deceived. The only limits of definition are those that limit human thievery.

Scam or, to be more precise, minimizing fraud is another special aspect of corporate governance. The Combined Code states that the board should maintain a robust internal control system to protect the company's stockholders' and company's assets (Committee on Corporate Governance 1998, 10). Another known document ("Turnbull") points out that one of the reasons why it is necessary to establish effective controls is to contribute to the prevention and detection of fraud (Stojanović 2013, 207).

International auditing standards define fraud as a deliberate action to obtain an unfair or unlawful advantage by cheating, made up of one or more persons from the management, supervisory board or third parties (International Auditing Standard 240 - Auditors' Accountability in the Audit of Financial Statements Audit).

Regardless of the phenomenon of fraud, they are typically characterized by several important elements:

- Incorrect statement of facts important for making business decisions;
- The awareness of individuals that the presented data is false;
- The person receiving the information as reliable and relevant for business decision-making;
- The occurrence of business damage as a consequence of all of the above (Stančić and Dimitrijević and Stančić 2013, 1884)

A criminal activity in the financial statements as a sub-group of frauds can be defined as any act committed by an official or responsible person, which is prescribed by law as a criminal offense, and which, in its mode of enforcement, uses deception as a means of obtaining unlawful property benefits, and as a result there are material misstatements in the financial statements.

- The accounting tricks most commonly used by accountants to fake financial statements are: Incorrect statement of facts important for making business decisions;
- The awareness of individuals that the presented data is false;
- The person receiving the information as reliable and relevant for business decision-making;
- The occurrence of damage in business as a consequence of all of the above.

A criminal activity in the financial statements as a sub-group of frauds can be defined as any act committed by an official or responsible person, which is prescribed by law as a criminal offense, and which, in its mode of enforcement, uses deception as a means of obtaining

unlawful property benefits, and as a result there are material misstatements in the financial statements.
The accounting tricks most commonly used by accountants to fake financial statements are:
- Revenue recognition;
- Excessive earnings earnings;
- Transfer of current expenditures in the previous or subsequent accounting period;
- Incorrect posting or incorrect reduction of obligations;
- Transfer of current income in a later period;
- Transfer of future expenditures in the current period.

The schemes of unlawful appropriation of funds, fraudulent financial reporting, corruption and other types of crime are becoming more and more complex for their preventive prevention and elimination every day. Entities that are vulnerable to the emergence of a wide range of criminal activities must be careful and to this end carry out activities to prevent the potential impact of criminal activities on the profitability and the normal functioning of their business.
Scam detection is an interactive process that includes:
- establishing a corporate control system,
- Investigating and solving problems,
- Examination of processes and transactions i
- transaction level of control (Mitric and Stankovic and Lakicevic 2012, 44).

Personal needs, social needs, economic needs and the need to meet compensation-based goals provide some incentive to commit fraud. There is evidence that the use of an incentive incentive system is increasing. For example, it has been found that compensatory pressures and incentives are significantly correlated with companies that have a history of fraud. They identified senior management of an unethical attitude, using incentive systems and unfair communications as important indicators of probability of fraud or risk of fraud. (Peterson 2015, 64).

1.5. The role of forensic accounting in corporate governance

The enterprise must have a proper management and governance system that prevents and / or discovers the emergence of entrepreneurial crime.
In order to establish good corporate governance in the Republic of Srpska, it is very important to raise the awareness of all participants about the importance of corporate governance for growth and economic development. Establishing quality corporate governance enables businesses easier access to external sources of financing, leading to increased investment, job creation and, in general, to the growth of economic activities.
Building a quality corporate governance in the Republic of Srpska, or harmonizing legislation and regulations in this area with the relevant parts of the acquis communautaire, is one of the requirements for joining the European Union.
Corporate governance in companies in the Republic of Srpska is still not fully present, although many segments of the subject area are regulated by a number of laws and by-laws. It is important to note that the standards of corporate governance have been adopted in the Republic of Srpska, but the implementation of them in most of the companies is still insufficient.
A small number of companies have formed departments of corporate governance, but these companies are far from complying with all principles. They do not publish the information publicly.
At stockholders' meetings, minority shareholders are not present, they are not informed about important issues, they do not know their rights, they can not influence the making of certain decisions. In most companies, management manages shareholders through insider information and proxies. It is especially present when shares are razed, when there are a large number of

small shareholders, who are not familiar with their rights or are employed at the same time, and are not able to divide their rights from work, as well as property rights.
The financial statements are the basic source of information on the basis of which creditors and other interested users of accounting information make their business decisions. Financial reporting and auditing constitute the "supporting wall" of corporate governance. For the quality and fair presentation of accounting information, in order to achieve good business results, attract foreign investments, reduce the financial crisis with economic and social consequences, development and application of forensic accounting in the financial statements of economic entities is very important.
Good corporate governance contributes to sustainable economic development by:

- improves the business results of companies and their operational efficiency,
- improves access to capital markets,
- decreases the costs of companies in terms of raising capital and raises the value of assets and contributes to a better reputation of the company.

In the context of the Principle of Corporate Governance, the activities of the accounting profession are treated as an integral part of management, with specific rights and responsibilities. The role of an accounting profession in the OECD Principles is to provide all relevant accounting information to protect equity between domestic and foreign shareholders, and in particular between majority and minority shareholders. Also, the role of accounting is to timely inform all corporate governance entities.
In order to fulfill the role of accounting, it is necessary to provide accounting information on:

- financial and operational results of the company;
- the goals of the company;
- shareholder participation;
- salaries of management and management;
- transactions with related parties;
- risk assessment (specific risks to industry and geographical areas, market risks, risks related to derivative and off-balance sheet transactions);
- financial statements, which should fairly present the financial situation and the success of the company, which are controlled by authorized, expert auditors;
- external auditors, who should be accountable to shareholders of the company;
- distribution channels, which must ensure the equal and timely availability of information to all users;
- corporate governance.

The accounting profession, in addition to its core role to protect stakeholder interests, should provide information for performing the basic functions of the administration, such as: auditing and managing corporate strategy, risk assessment, business plans and budgeting, company performance control, capital investment controls, acquisition and sales of the company.

1.6. Holders of corporate governance

Corporate governance implies a set of systems, principles and processes that are applied in the corporate governance process.
The ultimate starting point for proper corporate governance should be the acquisition of profit in accordance with the law. Corporate governance implies an adequate distribution of the ownership, management and management functions, which leads to the general satisfaction of all stakeholders, both internal and external. In a situation where the State appears as the owner of a company that carries out tasks of special importance, the issue of corporate governance is complicated. Complementarity primarily concerns the issue of public ownership, that is, the proper use and management of funds that are given to the public enterprise indirectly by taxpayers. The state as the owner places the key bodies of public enterprises, the supervisory

board and the director of a public company. The fulfillment of the objectives set before the public enterprise is precisely on them.
Corporate governance is subject to the activities and interests of two groups of stakeholders, the first group includes corporate governance, and the second group includes external stakeholders in the process of corporate governance. The key holders of corporate governance are the following: management board, management (management) and equity holders (shareholders). External stakeholders interested in corporate governance are: creditors (banks), buyers (debtors), suppliers (creditors), government agencies and administrations, auditors (external and state), interest groups (chambers, students, the unemployed) and the community as a whole. The Board of Directors represents the managing body of the company. Its members are usually elected by representatives of the capital at annual assemblies and entrusted with managing the company in the interest of the owner of the capital. The Committee has the final decision-making power, and in general it is authorized to:

- adopts general company policies,
- establishes business objectives and provides general guidelines,
- adopts internal acts (procedures, regulations);
- employs, supervises, assesses and discharges the general manager and managers,
- Suggests ways of distributing profits and
- proposes the issuance of additional shares and recapitalization in general.

1.7. Structure of corporate governance

The structure and models of corporate governance in any country are determined by several factors:

- legal and regulatory framework (in terms of rights and obligations) for the work of all parties involved in corporate governance;
- factual reality of corporate governance and
- each individual holder of corporate governance in a given country.

The structure of corporate governance in one country has certain characteristics or constituent elements, which are different from the corporate governance structure in other countries. To date, three models of corporate governance in developed capital markets have been identified. Those are:

- Anglo-American model of corporate governance;
- Japanese model of corporate governance and
- German model of corporate governance.

The Anglo-American model (or Anglo-Saxon model) of corporate governance is generally considered to be optimal in US management literature. It is considered that the structure of corporate governance, the legal framework and active capital markets, with high levels of disclosure of information, can enable global efficiency, accountability and transparency to be achieved. Many countries, for example, the United States and Great Britain are strongly encouraged by international financial institutions to mimic this model as a means of attracting capital, so it is currently applied in America, Britain, Canada, Australia and other Commonwealth countries, including India (Miles 2010, 6).
The Japanese model of corporate governance is characterized by a high level of ownership of shares by associated banks and societies. The banking system is characterized by strong, long-term relationships with individual corporations.
The German corporate governance model differs significantly from the Anglo-American and Japanese models, although some of its elements resemble a Japanese model. Banks have long-term interests in German corporations. As in Japan, bank representatives were elected to German boards.
Each of these models consists of the following components:

- model of ownership in a given country;

- the composition of the Management Board;
- regulatory framework;
- disclosure requirements for listed companies;
- corporate activities that require the approval of the owner and
- Interaction among key corporate governance.

Corporations in most countries have board directors. In the United States, the Board of Directors is specifically in charge of representing the interests of shareholders.

The committee has primarily engagement, fire, monitoring and compensation management, everything with eyes to maximizing shareholder value. While the board is an effective corporate governance mechanism in theory, in practice, its value is less clear. The characteristics of the composition of the committee include: the size and structure of the board of the number of directors that make up the board, part of those directors are outsiders, and whether the functions of the executive director and the chairman are the same. An executive compensation study is basically about the extent to which managers are compensated in a way to harmonize the interests of shareholders and their companies (Diane and McConnell 2003, 2)

The corporate governance system can be significantly different depending on the mechanisms used by corporate owners to influence managers. We can distinguish three in different ways that owners maintain control over the work of the administration:

1) owners directly influence the corporate strategy and the selection of the top management team,
2) owners transfer their rights to the board, but ensure that compensation and other incentives are aligned with the price of shares maximally and
3) the owners rely on the corporate control mechanisms of the corporation (Babic 2003).

2. RESULTS OF EMPIRICAL RESEARCH

Based on the survey conducted through the survey questionnaire, which was conceived as a segment of needs and possibilities for better financial reporting, and for the purpose of more efficient corporate governance of companies, the following results were achieved:

Potential reasons that negatively affect the corporate governance of companies are:

- Poor publication of financial and non-financial information.
- The level of tax rate badly affects the quality of corporate governance.
- Good relationship between the company and external auditors.
- Incomplete composition of board of directors in companies.
- The state of the economy affects the implementation of corporate governance.
- Organizations untimely and inaccurate financial and operating results.
- The annual audit is not carried out by an independent, competent and qualified auditor.
- Information is not presented in accordance with International Accounting Standards.
- The results of the survey have shown that poor corporate governance of companies is a consequence of a lack and development:
- laws and bylaws that define the procedure for conducting forensic accounting;
- the method of measuring, detecting and preventing fraud in the financial statements;
- Education in the field of forensic accounting.

Also, research shows that the interest of forensic computing is still not a sufficiently recognized occupation and that professional organizations should organize training in the field of forensic accounting and to recruit the professional qualifications required for carrying out forensic accounting.

The results of the survey questionnaire show that the goals of developing forensic accounting are as follows:

- Assessment of the organization's compliance with laws, policies and procedures;
- Detecting and preventing errors and illegal actions;
- Timely preparation of quality financial reports;
- Evaluation of the performance of accounting systems;
- Insight into the financial indicators of the organization's operations;
- Improving business processes.

CONCLUSION

The use of financial reports for fraud is a practice that can be encountered in all enterprises, The use of financial reports for fraud is a practice that can be encountered in all enterprises, regardless of their activity or size. The risk of fraud is more exposed to companies with poor corporate governance and low corporate culture.

The audit of financial statements cannot provide an adequate response in the fight against financial manipulation, both due to limited operations and due to very complex financial manipulations that are increasingly difficult to detect in a timely manner. It is precisely because of this that there was a need for forensic accounting that can more thoroughly and profoundly investigate fraud, and also preventive action in its disclosure. Its primary roles are to detect fraud, to prevent fraud, to find evidence of a scam, as well as to assess the actual situation and results of the reporting entity from the aspect of the interests of the management, potential partner or investors who are the contracting authorities and users of forensic accounting results.

The contribution of empirical research is reflected in the scientifically justified way of determining the correlation between forensic accounting and financial reporting in order to achieve more efficient corporate governance. The results of the survey also indicate a better understanding of the role and responsibility of a forensic account in the control of financial statements.

Investments in the development of forensic accounting, as well as the organization of education within the new branch of accounting, should reduce the possibility of fraud and other destructive activities that negatively affect the business flows. In the development and justification of introducing forensic accounting, human resources play the most important role. Forensic accounting employees should have professional qualifications, required certifications, high moral and professional qualities, and continuous monitoring of newspapers in the forensic accounting development. By assisting in procedures, forensic accountants can contribute with the development of an adequate regulatory framework that would be applicable in financial reporting, which would affect the objective and fair presentation of accounting information and play an important role in attracting capital, which would contribute to the more efficient functioning of the entire system States.

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