VALUES OF ACCOUNTING AND FINANCIAL INFORMATION IN ACHIEVING GOOD CORPORATE GOVERNANCE

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Abstract

In this material we set out to present the importance of financial-accounting information in achieving good corporate governance. Nowadays, the management of economic entities is obliged to disseminate information. Due to the multitude of users and implicitly the varied need for information, the company must provide an overview of its activity and performance, supplemented by additional information, necessary to meet the demand from different users. This article also addresses the theoretical aspects regarding the typology of financial-accounting information, the quality of financial-accounting information in terms of international norms, the qualitative characteristics of accounting information in terms of corporate governance requirements, the role of respecting the principle of transparency in achieving good corporate governance as well as the possibilities of optimizing the transparency of accounting and financial information, fair image and fair value - key objectives in ensuring the transparency of accounting and financial information.

Keywords: corporate governance, relevance of information, credibility of information, organizational culture

JEL Classification: G3; G32; G34

1. Introduction

Corporate governance is a concept that encompasses a wide range of activities, rules, processes and procedures, designed to ensure the optimal use of companies' resources and strategies, so that its objectives are achieved. This concept tests the health of economic entities in such a way that inefficient managers have to leave and be replaced by new and more efficient ones. It involves communication, transparency, participation, equal opportunities, respect for the other. Good corporate governance focuses on: the customer, the shareholder, the employee, the community, whose members agree to cooperate and work together. The development of a new corporate governance involves the establishment of basic principles that: guide the relationships between different business partners; clearly define responsibilities; guarantee the optimal functioning of the decision-making processes at microeconomic and macroeconomic level.

Numerous studies have been conducted on the concept of "corporate governance", including reports, by groups of specialists representing major institutions - universities, stock exchanges, banks, governments, etc. Since the emergence of this concept until now, numerous definitions have been proposed, all referring to the organization of the relations between shareholders and managers within a company or to a new stability of the different power factors that participate in the organization and functioning of the corporation.

In essence, this concept consists of a set of appropriate rules and mechanisms for management and control at the level of economic entities in order to protect and harmonize the interests of all stakeholders in their proper functioning, but also to monitor and motivate managers to restrict their behavior based solely on personal interest served and determine them to adopt strategies and decisions that meet the interests of shareholders and other categories of stakeholders, to respond to and meet their expectations.

The concept of corporate governance is more than a series of useful tools and techniques, of management and control; it is a paradigm, because it represents a vision of all economic entities, and finally a vision of the world, a widespread and deeply entrenched belief in the issues that deserve or can be solved globally in terms of the economic development of all countries, not just the more developed ones.

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We should not be surprised by the emergence of this concept. It arose from the need to solve the problem of inefficiency, social responsibility, ethics in domestic and international affairs, the use of realistic performance standards by economic entities, the elimination of gaps between job requirements and employee capabilities, incentive systems to encourage employees. As a process, the corporate governance system can operate in an entity of any size, and can function for any purpose, good or bad, for profit or loss. A rational and reasonable purpose of this concept could be to ensure the efficiency of the economic-financial act. Perhaps the moral and natural purpose of corporate governance consists in the name of regulated actions, of a dignified, effective model, while avoiding an unwanted, inefficient model. The ideal goal, obviously, is to ensure the realization of the best possible model.

2. Corporate governance - result of the dynamics of organizational culture oriented towards increasing performance at the microeconomic level

The organizational culture represents one of the main factors that can determine the success or failure of the economic entity, success measured by the degree of satisfaction offered by the company to shareholders and those interested in its results. The organizational culture, oriented towards good corporate governance, represents, for any entity, a guarantee of survival and continuous development, whether it is operating in a heavily competitive market or in an unfavorable economic, social or political environment. This is because the organizational culture, through its components, is the one that dictates certain norms of employee behavior, guides the way they perceive and represent their reality, the best way to react to the principles of corporate governance and the creation of value for shareholders.

An organizational culture oriented towards good corporate governance, is a good way to approach reality by companies (economic, social, etc.) which constantly leads to value creation for everyone who is directly or indirectly interested in that organization (shareholders, community, customer staff, suppliers, etc.).

Corporate governance and constructive organizational culture encompass a wide range of activities, rules, processes and procedures, designed to ensure the optimal use of resources and strategies of listed and unlisted economic entities so that its objectives are met. We could say that effective corporate governance is also an approach to organizational culture in terms of perspective, quality, increasing economic and financial performance and creating value for investors. Thus, the good corporate governance can influence the vast majority of processes in the company, has a direct influence in the definition, documentation and application of internal rules relating to various organizational processes, greatly influences the way employees apply these rules and last but not least, directs them to approach the various situations that have arised in or outside the entity. This concept represents a set of mechanisms through which investors (outsiders) protect themselves against the danger of expropriation by insiders. Good corporate governance and a results-oriented organizational culture, but equally people-oriented, is necessary for any economic entity that wants to attract investors and minimize capital costs. A constructive style is a humanistic approach, which gives employees the opportunity to improve their performance, to have initiative, to be creative, to learn to develop their potential. The impact of the organizational culture on business performance is direct and very strong. Companies with a constructive organizational culture perform better than companies with a non-adaptive or defensive culture (aggressive or passive).

Modeling the organizational culture in the direction of the quality of corporate governance determines changes in the general management of the company. The entire set of managerial processes is reshaped in the direction of that level of performance required by all stakeholders in the company's results.

Good corporate governance, as a set of values that helps company members understand what the entity is, how to act and what is considered important, aims to increase the company's performance and harmonize different interest groups, especially after the great failures and scandals that shook companies in Europe and in the USA. These scandals were caused by poor or inappropriate corporate governance standards, a weak organizational culture, more oriented towards high profits made in short periods of time, a senior management that neglected to create value for shareholders. They started with the liquidity problems faced by companies, which raised a question mark about their future existence. Those interested tried as much as possible to keep the situation under control in order to keep the entity afloat, but not all of them used legal methods, generally accepted. Also, the corporate governance did not function at the required level, most of the times, the shareholders being handed the annual financial statements already handled. Even if the accounting manipulations did not always lead to the bankruptcy of the company, they certainly had an impact on the future, in the sense that the low credibility of the information entailed additional costs in the following periods.

The economic crises have highlighted the major deficiencies of corporate governance related to the control of managers 'salaries, the transparency of the entities' activity, the role and responsibilities of all shareholders, risk management. The key to success in implementing good corporate governance at the microeconomic level, respectively the success or failure of change at the company level is given by the organizational culture. Good corporate governance and an effective organizational culture mean taking care of your employees and collaborators. That is, to make their lives as good as possible, to invest the money that investors give in projects that bring maximum added value and positive effects for as many citizens as possible, to encourage competition and innovation. A well-run company focuses on medium and long-term investments, discovers opportunities and allocates capital in such a way as to satisfy its shareholders. The main goal of corporate governance is to ensure the survival and prosperity of the enterprise in a sustainable way. For this purpose, the managers of the company must meet the multiple expectations of shareholders, while ensuring an optimal level of satisfaction in the community of stakeholders-consumers, partners, contractors, suppliers and employees.

Corporate governance in convergence with organizational culture, which represents a "Set of values, beliefs, aspirations, expectations and behaviors outlined over time in each organization, prevailing therein, and conditions its functionality and performance directly and indirectly", represents a means of improving the performance of economic entities, through two dimensions, the disciplinary one and the cognitive one. The disciplinary dimension of the governance of the economic entity proposes mechanisms for supervision and control of managers, aligning the behavior of managers to the interests of shareholders, increasing the motivation and efficiency of internal and external activities by improving communication. The cognitive dimension is interested in creating an advantage based on the competencies of the enterprise. In this framework, corporate governance and organizational culture serve by helping senior management build or detect opportunities and acquire new skills.

The practice confirms the need to intensify efforts to accept this concept, because it has been found that economic entities that are dedicated to its principles have even managed to maximize profits. Good effective governance ensures improved economic efficiency and an interactive investment climate. Compliance with good corporate governance principles is certainly to the benefit of the economic entities, enabling them to manage their business processes and risks more effectively and achieve their goals.

The development of an organizational culture oriented towards good corporate governance determines, for all groups in companies, regardless of their hierarchical level, the level of training or the degree of complexity of the activity carried out, a unitary approach to the activity within the entity, as well as in relation to the economic, social or political environment in which the entity operates.

3. Qualitative characteristics of accounting and financial information in terms of the requirements of good corporate governance

At the level of corporate governance, accounting is the most important element of the informational system, because: most decisions at the microeconomic level are made based on the information provided by accounting; allows managers, shareholders and other stakeholders to have an overall image of the activity; connects with the other components of the company's information system, by integrating the information on these activities into a common basis. The question constantly arises: what do managers, shareholders and other stakeholders expect from the financial-accounting information? to allow an ascertainment - Are things going well or badly? to draw attention: what problems should they be interested in in order for the activity to be carried out optimally? to help solve problems: which of the alternative solutions are the most viable?

Corporate governance as a complex system of management and control of the economic-financial activity of the economic entity, is seen as an information system that collects raw information, processes it through accounting, presenting it to decision-making-managers and shareholders and also to other groups involved. But the main feature of the financial-accounting information is to obtain the knowledge and skills necessary to participate in making important economic decisions at the company level.

3.1. The typology of financial accounting information

The financial accounting information is intended for external users, such as employees, investors, creditors, the government, the general public and it is designated by the summary financial statements or, in short, the financial statements. This is the basis of the work of analysts, where it is of major importance to have numerical information that reflects the economic reality of a company. Annually, the administrators of the enterprises must prepare a set of financial statements in a standardized form, composed of: balance sheet, profit and loss account, statement of changes in equity, statement of cash flows and accounting policies and explanatory notes. Existing and potential investors, lenders and other creditors need information to help them assess the prospects for net cash inflows for a company. Information on the nature and value of economic resources and claims on a reporting entity can help users identify the financial institution's strengths and vulnerabilities. In order for the financial information to be useful, they must be relevant and represent exactly what they aim to represent. The usefulness of financial information is enhanced if it is comparable, verifiable, appropriate and intelligible.

Accounting information is *an abstraction, a product of intelligent knowledge, but at the same time a ubiquitous reality, which every unit with or without permission meets daily*. It can be a neo-production factor for analysts and, on the other hand, the same information represents on the market, a competitive product for analysis reports. With regard to financial information, the principle of corporate governance requires practices of transparency, the correct, honest and timely elaboration and presentation of other financial information and reporting. Also, information and reporting policies must ensure and serve transparency: the objectives and managerial strategy of enterprises; reporting influences on risks and performance; events that took place during the financial year and that significantly influenced the outcome; annual contributions to be examined by the Audit Committee and approved by the Board of Directors.

Accounting information in an enterprise can be classified into two broad categories: financial accounting information and management accounting information. Accounting information specific to economic activities can be defined as a *communication, news, or message that contains new elements of knowledge of certain states, situations, conditions of* *manifestation of certain economic phenomena or processes*. The use of economic information follows several aspects: *the prospects of economic growth of the entity, based on future expectations taking into account the evolution of the most important factors that will influence future economic performance; investment parameters (dividends and market price) in correlation with business risk.*

The management accounting information is also intended for internal users, respectively for the management of the enterprise. This information is non-standard, often non-monetary, and includes information on the unit cost of products, cost behavior relative to the volume of activity or profitability per product. Reports are submitted to management at short intervals - monthly, weekly or daily - and are limited to subdivisions of the company, called responsibility or profit centers. In order to judge a business, people need economic information that will underpin their decisions. Decisions refer to the optimal level of production, the granting of a loan or related payments, etc. In all cases, the accounting information will help in the decision-making process. As a result, it can be said that accounting follows the collection, analysis and transmission of economic information necessary for decision, planning and control.

Information, especially economic information, is present today in all fields of activity, being an indispensable element of progress. *Its evolution was and is imposed by the evolution of natural and social systems - objective reality that presupposes the permanent knowledge of the state and functionality of the component elements of the system - determines the development of the economic informational system, of the component elements*. The economic information provided by accounting is focused on: *industrial or commercial performance, with the important role played by indicators such as added value or operating result; solvency with the comparison of the liquidity of receivables and debts and the evaluation of the patrimony*.

Accounting information serves everyone who needs to make a decision or plan a business as well as control that business. Consequently, managers are the main beneficiaries of accounting information. In reality, it can be said that the role of accounting is to help beneficiaries issue decisions based on relevant information, to influence their decisions. Accounting information is needed primarily at the microeconomic level. However, accounting also has a macroeconomic vocation. There are currently discussions of national accounting or macro-accounting. To achieve its objectives, accounting cooperates at the national level with macroeconomic statistics.

The current evolutions of the modern society require the continuous improvement of the economic-financial information. It must be constructed in such a way as to meet both the management's requirements for substantiating decisions and the information needs of the company's partners. The information produced by an entity can be classified into four categories: *operational information; financial accounting information; management accounting information; accounting information on meeting tax needs.*

Operational information is required by the day-to-day management of economic and financial activities carried out within the entities. This information is necessary for the management of the various compartments of the enterprises and may form the basis for the supply of the necessary data for financial accounting, management accounting and tax accounting. Financial accounting provides useful information to both internal users (enterprise managers) and external ones (current and potential investors, bank financiers and other creditors, government agencies, investment advisers, financial analysts, business partners, employees, the general public). Because accounting information contributes to the redistribution of wealth, accounting today is a standardized social practice, with regulators acting nationally and internationally.

In most cases, external users must accept the information that the organization chooses to provide. There are cases when they also request information in accordance with their specifications. The transmission of information to their external beneficiaries is based on the principle of uniqueness of the information provided by a set of accounting rules, in order to achieve a comparability between the information provided by two or more potentially competing organizations. This set of rules is also the subject of the study of financial accounting, it is also called *the alleged rules of financial reporting*.

Management accounting locates satisfaction with accounting information only at the level of managers. It achieves its objectives by: determining the costs on products, services, activities, responsibility centers; determining the margins and analytical results on products and activities; providing the necessary information for drawing up the dashboards; providing information for measuring performance at the level of different structures of the enterprise. Management accounting information is used to perform three managerial functions: planning, implementation and control. Accounting seeks to serve the informational need of a wide range of users, interested in the financial situation of a business. The main users are: investors, bankers, employees, suppliers and other commercial creditors, customers, the government and its institutions, the public, management, etc.

At the level of an enterprise it can be felt a pressure from third parties on the regularity of the financial communication process: periodically it is necessary to provide information at macroeconomic level for the construction of indicators that characterize the state of the national economy at a given time; the tax administration is interested in knowing the taxable matter in order to determine the amount of taxes and fees owed by the company; the various creditors want to have regular access to information on the liquidity and solvency of the company; shareholders want to collect dividends regularly. Users express various information needs, on which they base, following economic and financial analysis, various decisions they make. They often face sometimes divergent perspectives and express divergent views.

In the activity of the entity there will always be a common set of information, structured in the synthesis documents. This information is part of the general financial information. However, there is also information for private use, intended for a certain category of users. Also, in the activity of the entity there is some confidential or privileged information.

3.2. Qualitative characteristics of financial - accounting information

In the analysis of the global efficiency of an enterprise, it is particularly important *the quantity and the quality of financial-accounting information that we use at a given moment in the system of economic entities, preferably increasingly analytical*. Qualitative characteristics are the attributes that determine the usefulness of the information provided by the financial statements. These characteristics are part of the objectives of the international conceptual framework, also called the Framework for the Preparation and Presentation of Financial Statements, addressing a wide range of users (current and potential investors, employees, banks, suppliers and other creditors, customers, the state and its public bodies, the public), analyzing only five elements that make up the financial statements: assets, liabilities, equity, expenses, income.

The quality of accounting information is *the propellant of development, so that all new knowledge is built on the skeleton of existing ones, thus certifying their quality every time.* This is not only a support for managers' decisions but it can also highlight the relationships between departments / offices / production sections / workshops, etc. of a company, namely the level of collaboration and cooperation in order to achieve the fundamental objective - creating value for shareholders and other stakeholders. We must not lose sight of the following elements: *information is not constructed objects, they are symbols deliberately created by socio-economic actors; information forges representations and induces behaviors* *according to complex mechanisms; along with the formalized sciences, economic knowledge plays a very important role.*

Information about an entity's performance is necessary to assess potential changes in economic resources that the entity may control in the future, to anticipate the ability to generate cash flows from existing resources, to formulate judgments about the effectiveness with which it can engage and utilize new resources. As required by the *IASB General Framework for the Preparation and Presentation of Financial Statements*, the four main qualitative characteristics are: intelligibility, relevance, credibility and comparability.

Intelligibility *is the main feature of accounting information. An essential quality of the information provided by the financial statements is that they must be easy to understand by all users.* For this purpose, it is assumed that users have sufficient knowledge on the conduct of business and all economic and financial activities, notions of accounting; and have the desire to study the information presented, with due care. For this purpose we must ensure a balance between knowledge of accounting, those relating to business and economic activities which must be sufficient, on one hand, and their interest in studying the information reflected in the financial statements, on the other hand. However, the information on complex issues, which should be included in the financial statements due to their relevance in the economic decision-making, should not be excluded just because it may be too difficult for some users to understand.

In order to be useful, information must be relevant for decision-making by users. *Information is relevant when it influences the economic decisions of the users, helping them to confirm or correct their previous assessments*. Relevant financial information are those that have the ability to make a difference between the decisions made by the users. Information can have the ability to make a difference in making a decision even if some users choose not to take advantage of this information or if they already know it from other sources.

The relevance of the information is influenced by its nature and the threshold of significance. In some cases, the nature of the information is sufficient, in itself, to determine its relevance. In other cases, both the nature and its significance are important. For the purposes of these regulations, information is considered to be significant if its omission or misrepresentation could influence the economic decisions of users, taken on the basis of the annual financial statements. In analyzing the significance of an element, the size and / or nature of the omission or erroneous statement judged in the given context are taken into account. The relevance of the accounting information is defined in relation to three other qualities: opportunity, retrospective character; predictive value. The opportunity is to provide accounting information in a timely manner. The retrospective nature of the accounting information is proven by allowing the evaluation of past decisions. The predictive value of accounting information refers to its ability to improve forecasts based on the results of past decisions.

The credibility of the information **–** in order to be useful, the information must be credible and reliable when: it does not contain significant errors; it is not biased, and the users can be confident that they represent correctly what they are set out to represent or what they reasonably expect; to faithfully represent the transactions and other events that they have either intended to represent or are reasonably expected to represent; they are accounted for and presented in accordance with their substance and economic reality, and not only with their legal form; it is included in the financial statements, and is complete and neutral, i.e. free of influences. *Credibility is given by: fidelity in presentation; the prevalence of the economic over the legal; completeness (no part of the entity's activity should escape accounting); neutrality and prudence*.

Comparability - users need to compare an entity's financial statements in both time and space to identify its trend, financial position, and performance. By comparing a company's financial information over time, decision makers can identify the evolution of the company's financial position, changes in financial position, and the performance of the company. The comparability of the information in space gives users the opportunity to make decisions by comparing the financial statements of different companies. They must be able to compare the financial statements of the various entities in order to assess their financial position and performance. Thus, the measurement and presentation of the financial effect of the same transactions and events must be performed in a consistent manner within an entity and over time for that entity and in a consistent manner for different entities.

The need for comparability should not be confused with mere uniformity and should not become an impediment to the introduction of improved accounting policies. In order to harmonize accounting practices to ensure the comparability of accounting information, in time and space, at microeconomic and macroeconomic level, respectively at national and / or international level, rules on general accounting principles are issued, by the existing national and international accounting standardization bodies whose role is to ensure the implementation of accounting principles. Accounting rules represent precise rules for valuing, recording, classifying and presenting financial information.

The quality of the external information also depends on the variables of the external environment of the entity, and mainly on: the legal norms regarding the annual financial statements and the institutional information system; corporate governance regulations; the prescriptions provided for the national and international norms and standards; the characteristics and requirements of the recipients of economic-financial information.

In the face of such external variables, the challenge of the entities is not so much the identification of the categories of information users, especially the point-by-point understanding of their specific, diversified information requirements, as well as the weight of the effect of decisions on economic management. On these elements will depend in fact not only the nature of the information, but also the configuration of the communication processes. Meeting information needs is in fact a prerequisite for maintaining investor confidence. The wide range of actual and potential users involves an extension of the importance of information provided through formal and regulated channels towards those transferred informally. Outside the regulated markets, the economic-financial information circulates through informal channels or even through personal contacts with customers and suppliers and through direct relations between the company's management and the reference investors.

4. The impact of corporate governance on the effectiveness and viability of economic entities

Financial performance is of informational importance for investors in making decisions regarding the maintenance of invested capital, increase or decrease by a new capital investment. A successful entity is one that reconciles the expectations of all its partners: it creates value for its shareholders, provides pleasure to employees in the workplace and a clean environment for the community. In this context of transparency, of information, an essential element for the competitiveness of the entity, it requires the functioning of corporate governance systems and, above all, control systems. Therefore, the issue of corporate governance should be seen as a fundamental antidote to the pressures leading to fraud, in order to make the flow of information transparent.

The increase in the efficiency and viability of the economic entity is given by the following characteristics of corporate governance: the corporate governance represents an extended concept, which includes different aspects of the financial system (infrastructure, institutions and markets); corporate governance involves not only the allocation of resources, risk management, the mobilization of savings and the facilitation of accumulation, well-being, development and growth, but also the proper functioning of the payment system; corporate governance must be seen in terms of the potential consequences for the real economy.

Corporate governance aims primarily to maximize wealth creation for shareholders but also for other stakeholders, through economic growth, both at the microeconomic and macroeconomic level. This concept presupposes the set of norms, regulations and procedures meant to lead to a good administration and management of the institution, with a national and global impact. The purpose of corporate governance is to reduce the problem principal - agent, and the identity between the well-being of individual entities and the well-being of the whole society, which leads to an optimal allocation of resources at the level of the entire national economy.

In the context of an increasingly integrated global economy, economic growth will result from: higher productivity, by improving labor efficiency, management and the use of capital production; improving market knowledge, successful strategies for market penetration with higher value-added products and services, through a dynamic entrepreneurial base; effective capitalization of research results in the innovation process; investment in infrastructure to improve accessibility and living conditions; effective administration / governance, both in the public and private spheres, to ensure a favorable environment for investment and for a better use of public resources, including the Structural and Cohesion Funds; assuming the principles of sustainable development to ensure an efficient management of resources, environmental management, inclusion of all entities in the development of the company. The performance of an enterprise is not simply limited to superior financial-accounting results, respectively maximum profitability, stable financial balance, ability to generate liquidity necessary for the operation and expansion in the future, but covers all non-financial and financial aspects of its activity.

Investors are not only interested in the historical past of the company, relevantly reflected by the financial indicators but especially by the future development perspectives generated by its material, financial, human, informational and organizational resources. Managers cannot maximize the value of the company if they ignore the interests of its social partners: shareholders, employees, creditors, suppliers, customers, etc. The performance of the companies listed on the Bucharest Stock Exchange is significantly influenced by the form of corporate governance, respectively by the capacity of the decision-makers to identify and harmonize the interests of their most significant social partners. The harmonization of these interests is ensured through the corporate governance system.

The ability of managers and other decision makers, such as shareholders, the Board of Directors, auditors, to harmonize and prioritize these interests, directly influences the risk and return generated by the investment in the shares of the company. So the quality and operational efficiency of the form of corporate governance determines the control of variables that have a strong impact on the economic and financial results of enterprises.

Among the generally accepted principles in the market economy are those related to the fact that the entities must operate in the interest of the owners (shareholders), on one hand, and, on the other hand, that they are interested in their performance, along with them, other stakeholder groups are also interested: managers, employees, customers; suppliers, banks, state, local community. From the point of view of strategic management, this implies, taking into account their interests in the process of setting strategic objectives. The performance of listed entities is significantly influenced by the form of corporate governance, respectively by the ability of decision makers to identify and harmonize the interests of their most significant social partners. The harmonization of these interests can be ensured through the corporate governance system. We believe that there is an inseparable link between the performance of companies and the efficiency of the corporate governance model. Investors attach great importance to corporate governance systems implemented in a company and are willing to pay extra for good results in this area.

Companies are well aware of this reality therefore they are given considerably more importance than in previous years, the good and bad examples of the international market speak for themselves. Thus, on the one hand, there are companies that have put a lot of effort and time into achieving high standards of corporate governance and social responsibility. As a result, they are perceived as exponents of governance based on added value, being able to maximize the value of the company through systems and processes that allow managers, regardless of the hierarchical level, to evaluate and monitor its performance. On the other hand, there are companies that have failed to build the corporate governance strategy and have a transparent approach to the various stakeholders. Therefore, the shortcomings of the systems of the organizations in question come to the surface and prove to be more than unsuitable, sometimes with disastrous results. Finally, the test of the efficiency of a company's governance model is the extent to which it manages to achieve its main objective, namely, to maximize the value of the company from the perspective of shareholders. It's all about how it manages to organize an ideal closed system: meeting the requirements of customers, employees, suppliers, distributors, etc., the reward being, in the case of good results, increased and sustainable value. Therefore, the importance of an effective corporate governance model that monitors and evaluates the company's performance, while meeting the needs of all stakeholders and thus creating added value, will increase even more. Corporate governance is a tool that helps maximize the value of companies. This concept aims to foster creativity in the enterprise, to respond to the challenges of globalization and to make the entity focus more on creation, innovation, research, marketing and production, in order to maximize profit. An information system shall comprise all the elements necessary to define, produce, maintain and make available the information necessary for the staff of a company to ensure the proper functioning of that company.

In order to ensure the functioning of the corporate governance model, the dimensions of strategic performance, compliance and responsibility must also be included. The directors establish the objectives of the organization that they intend to achieve, and based on these they elaborate policies and strategies on the specific fields of activity. For all objectives, they establish key performance indicators that represent targets to be achieved that will materialize in performance reports.

5. Conclusions

The importance of corporate governance for the success and social well-being of economic entities cannot be underestimated. Transparency, fairness and credibility in relations with shareholders but also with other stakeholders; effective communication, compliance with the law, assuming responsibilities, are essential to ensure good corporate governance. Although effective corporate governance insists on ethical principles and social responsibility, the rules, policies and procedures it promotes have a well-defined purpose, namely to sustainably increase the value of the company and create value for shareholders. Increasing transparency in investor relations, but also a high quality of financial reporting is defining elements that can influence potential investors in assuming the risk of investing in an economic entity.

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