A Systematic Analysis of Published Articles in the Field of Auditing in Western Balkan Countries

Qendrim Bytyqi

Abstract: Auditing plays a significant role in evaluating the efficiency, effectiveness, cost-efficiency, and overall performance of public administration institutions and private sector organizations. It also encompasses managerial activities, organizational structures, management systems, and administrative processes. The main objective of this study is to analyze and critically examine published research related to auditing in Western Balkan countries. The study investigates the development, effectiveness, and importance of auditing practices in both the public and private sectors across the region. Through a systematic review of academic publications and professional studies, this research aims to identify the role, relevance, and evolution of auditing over the years, particularly in recent periods. Furthermore, the study highlights the growing importance of auditing as a mechanism for transparency, accountability, and financial control in Western Balkan countries by combining theoretical perspectives with numerical and comparative data analysis.

Keywords: Auditing, Systematic review, Western Balkan countries, Public sector audit, Audit effectiveness

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Msc., University of Prishtina “Hasan Prishtina”, Faculty of Economics, Prishtina, Kosovo, qendrimbytyqi077@gmail.com

https://orcid.org/0000-0001-7630-3882

https://ror.org/05t3p2g92

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Introduction

Auditing is a professionally oriented, commercially motivated service designed to mitigate information risk for stakeholders. It is grounded in the expertise and competencies of professionals who conduct a systematic, structured process tailored to clients' specific needs, within an environment shaped by market limitations and regulatory requirements (Knechel, 2016). By applying auditing standards and professional judgment, auditors significantly enhance financial performance by minimizing the risk of material misstatements and ensuring that financial statements are prepared in compliance with generally accepted accounting principles and standards (Ahmeti & Iseni, 2022).

In this context, SIGMA (Support for Improvement in Governance and Management) plays an important role by implementing peer review and peer assistance mechanisms to strengthen audit institutions and support the development of Public Internal Financial Control (PIFC) systems, including internal audit structures and procedures. Peer review processes evaluate the strengths and weaknesses of existing PIFC frameworks to reduce the gap between current control and auditing practices within public spending units and the requirements established by existing or newly adopted legislation and other relevant regulatory frameworks (Boneva, 2011).

Moreover, the effectiveness of controlling inefficient and wasteful public expenditure increases in proportion to the number and independence of auditors engaged in the auditing process. The implementation of auditing standards, combined with the presence of qualified auditors possessing expertise in relevant auditing fields, positively influences the quality and effectiveness of public financial management. Furthermore, effective communication and cooperation between management and other stakeholders enhance transparency and accountability in the administration of public finances, thereby reducing the likelihood of financial misconduct and irregularities. In addition, auditors' recommendations constitute an essential mechanism for improving institutional performance, achieving organizational objectives, and promoting sound and sustainable public financial management practices (Mjaku & Bexheti, 2019).

Auditors carry significant responsibilities and are expected to uphold the highest ethical and professional standards. Public confidence in the auditing profession rests on the expectation that auditors provide an independent and competent opinion on the reliability and accuracy of the financial statements of various organizations. Nevertheless, considerable uncertainty and skepticism persist regarding the relevance and credibility of audit reports, particularly amid recent financial crises and their broader economic consequences (Ismajli et al., 2019).

Internal auditors are responsible for preparing audit reports that include identified irregularities, non-compliance issues, and deficiencies, as well as a professional assessment of the effectiveness of the financial management and control systems reviewed during the audit. In addition to providing an expert opinion, internal auditors offer recommendations to improve existing conditions, reduce deficiencies, and enhance operational efficiency (Dimitrova & Paneva, 2019). Through the audit report, the auditor serves as an intermediary between the entity whose financial statements are being audited and the users of those financial statements. While the preparation and accuracy of financial statements remain the responsibility of the entity's management, the auditor's role is to examine these statements and express an opinion regarding the fairness, reliability, and truthfulness of the information presented (Dimitrova et al., 2019).

The International Standards on Auditing (ISA) emphasize the importance of maintaining professional skepticism and conducting a critical evaluation of audit evidence. However, concepts such as "questioning mind" and "critical assessment of audit evidence" remain relatively broad and subject to different interpretations regarding the appropriate level of professional skepticism and the manner in which such behavior should be demonstrated and documented in situations involving varying levels of audit risk (Lazarevska et al., 2017).

Legal regulations and accounting standards require companies and organizations to present an accurate and fair view of their financial position. The process of preparing and publishing annual financial statements and reports directly influences the transparency and credibility of financial information and affects compliance with accounting principles and financial reporting requirements (Koleva et al., 2015). Therefore, establishing effective quality control mechanisms at each audit engagement is essential, as the role of the statutory auditor is to protect the public interest by applying technical and professional standards in accordance with the requirements set forth in the Code of Ethics. In this regard, quality control systems should also be effectively organized and implemented within auditing firms (Tanushi, 2019).

In contemporary financial systems, maintaining stable business operations and financial sustainability has become increasingly challenging. Consequently, internal auditing has gained greater importance due to the growing need for oversight and control over management activities. Internal auditing has evolved from a traditional focus on compliance, accounting accuracy, and control verification toward a more proactive role that includes advisory services, risk assessment, and providing assurance regarding organizational performance and governance processes (Brezo, 2016).

The importance of external auditing in developed economies is widely recognized, as auditing contributes to more efficient resource allocation by reducing information asymmetry and enhancing the credibility of financial statements. Nevertheless, the value of auditing is occasionally questioned, particularly in cases involving major corporate scandals or the collapse of large organizations that had previously received unqualified audit opinions (Todorović & Milutinović, 2015). Such situations have intensified debates regarding auditor effectiveness, independence, and accountability.

Furthermore, supreme public sector audit institutions must maintain independence, objectivity, and neutrality, free from political influence or interference. The loss of these characteristics may undermine public trust and diminish the legitimacy and credibility of such institutions. To preserve their integrity and public confidence, public sector audit institutions should remain independent from political authorities and avoid associations that could compromise their impartiality (Jakovljević, 2021).

Finally, recognizing the importance of internal auditing and successfully integrating it within organizational structures requires sufficient time and institutional development. This challenge is particularly evident not only in transition economies but also in countries where the auditing profession is more advanced and highly developed (Đorđević & Đukić, 2017).

The primary purpose of this paper is to examine the role and significance of auditing in enhancing financial transparency, accountability, and the effectiveness of financial management within both public and private sector organizations. The study aims to analyze the importance of internal and external auditing practices, the application of auditing standards, and the contribution of auditors to improving governance, reducing financial irregularities, and strengthening stakeholder confidence in financial reporting.

Furthermore, this paper explores the challenges faced by the auditing profession in contemporary financial environments, particularly regarding auditor independence, professional skepticism, quality control, and public trust in audit reports. By reviewing relevant academic literature and professional perspectives, the study provides a comprehensive understanding of how auditing contributes to organizational efficiency, risk management, and the protection of the public interest.

The objectives of this paper are to analyze the theoretical and practical importance of auditing in modern organizations; to examine the role of auditors in ensuring the reliability and credibility of financial statements; to evaluate the contribution of internal and external audits to financial control and organizational governance; to identify the challenges affecting audit quality, independence, and professional ethics; and to highlight the importance of transparency, accountability, and compliance with international auditing standards.
This research aims to examine and provide a comprehensive analysis of the audit market in Western Balkan countries. This paper is written to provide readers with a deeper understanding of the auditing profession and its impact on financial stability, institutional performance, and decision-making processes. It is intended to serve as both an academic and practical resource for students, re-

searchers, professionals, and policymakers interested in accounting, auditing, and public financial management.

Readers of this paper will benefit from understanding the fundamental principles and objectives of auditing, the importance of ethical and professional standards, and the evolving role of auditors in contemporary organizations. In addition, the paper offers valuable insights into how effective auditing practices can improve transparency, strengthen governance structures, reduce financial risks, and enhance public trust in financial reporting systems.

Overview of the Auditing Profession in Western Balkan Countries

The countries of the Western Balkans increasingly aspire toward membership in the European Union (EU) and, consequently, seek to harmonize their national legislation with European Commission (EC) standards and regulations. This alignment process includes implementing legal and institutional mechanisms for Road Safety Audits (RSAs) and Road Safety Inspections (RSIs), designed to reduce traffic accidents and mitigate their consequences. Road authorities have developed the Road Safety Audit as an important safety management tool intended to support both municipal and national road agencies. In this process, the responsible road authority formally appoints a qualified auditor by issuing a written, signed request to conduct the audit (Gashi et al., 2016).
In recent years, the financial sectors of the Western Balkan countries have experienced significant progress as a result of comprehensive governmental reforms supported by international financial institutions such as the World Bank and the International Monetary Fund (Nuhiu & Hoti, 2011). In Kosovo, the internal audit function was initially established under UNMIK Regulation 1999/16 within the Central Fiscal Authority. This institution was responsible for developing the legislative framework and auditing all state-financed budgetary organizations. Internal auditing is regarded as an independent and advisory function designed to improve organizational operations, enhance accountability, and increase or-

ganizational value through objective evaluations and recommendations (Rudhani et al., 2017).

The National Audit Office of Kosovo has consistently identified weaknesses in procurement procedures within public institutions through performance audits that assess whether public resources are used economically, efficiently, and effectively. Common deficiencies identified include inadequate procurement strategies, insufficient demand forecasting, weak procurement planning, poorly defined technical specifications, and ineffective contract management practices (Bushati & Dalloshi, 2021).

In Albania, the Constitution and applicable legal framework require the Supreme Audit Institution to submit annual reports to Parliament concerning its activities and audit findings. Communication through annual external audit reports is based on the principles of transparency, accountability, and efficiency in managing public resources, thereby strengthening relationships with stakeholders and public institutions (Xhani et al., 2020). Furthermore, Albania's internal control framework largely complies with the Basel principles of corporate governance. Within the Albanian banking sector, the implementation of the Three Lines of Defense (3LoD) model assigns monitoring responsibilities to internal audit units, external auditors, and the Bank of Albania to ensure compliance with the applicable legal and regulatory framework (Cinaj et al., 2020).

In the Republic of North Macedonia, state auditing activities are regulated by the Law on State Audit, which governs the auditing of public sector entities. The State Audit Office serves as the Supreme Audit Institution and is responsible for conducting all state audits. Public procurement is one of the key areas examined during state audits, with auditors presenting their findings on the lawful and effective use of public funds in official audit reports (Dionysiev, 2019). North Macedonia has also undertaken substantial efforts to harmonize its auditing system with internationally recognized standards and practices. The country's state audit standards are primarily based on the principles and requirements established by INTOSAI and are aligned with the standards issued by the International Federation of Accountants (IFAC) (Filipova, 2015).

In Bosnia and Herzegovina (BiH), the introduction of a new regulatory framework has significantly strengthened the role and capacity of external auditing. The revised framework extends the responsibilities of external auditors by requiring them to assess risk management systems within banks and report their findings to banking regulatory and supervisory authorities, in addition to conducting traditional financial statement audits in accordance with international auditing standards (Stefanović, 2019). In October 2016, the Audit Office of the Institutions of Bosnia and Herzegovina conducted audits of institutions involved in protection and rescue operations following natural disasters and catastrophes. However, despite INTOSAI recommendations encouraging the implementation of ISSAI 5510 standards in disaster risk reduction and pre-disaster management audits, authorized institutions in BiH had not fully implemented these standards, resulting in the omission of such criteria from performance audit reports (Kaplan et al., 2018).

The Commission for Accounting and Auditing in Bosnia and Herzegovina was established pursuant to the Law on Accounting and Auditing at the state level. The Commission has the authority to issue directives, provide interpretations, develop professional standards, and oversee the publication and translation of those standards. In cooperation with professional associations and educational institutions, the Commission also develops unified educational programs to ensure the consistent and effective implementation of accounting and auditing standards throughout Bosnia and Herzegovina (Šapina & Ibrahimagić, 2011).
Research conducted by Milutinović (2019) indicates that the position and effectiveness of audit committees in Serbia remain unsatisfactory. The findings suggest that disclosure practices related to audit committees are inadequate and that the formal requirements for their composition and responsibilities are not fully aligned with European Union legislation. Furthermore, substantive requirements concerning the functioning of audit committees are often not met in practice. The study also highlights that audit committees do not sufficiently

supervise management activities and that management continues to exert significant influence over the selection of external auditors.

Additionally, the Standards of the Institute of Internal Auditors require internal audit departments to conduct planning processes based on risk assessment methodologies and to review and update audit plans annually. Such practices are particularly important for transition economies, including the Republic of Serbia, as they seek to align their auditing frameworks and institutional practices with European Union standards and international best practices (Popović et al., 2016).

Research Method

This research is based on a qualitative, descriptive analysis of published articles, institutional reports, and academic studies on auditing in Western Balkan countries. The study primarily uses secondary data from scientific journals, international organization reports, government publications, and professional auditing literature.

The research sample comprises 31 audit-related articles and reports that focus on auditing systems, public financial control, transparency, accountability, and audit development in Western Balkan countries. To ensure the reliability and relevance of the research, only publications directly related to auditing practices, public sector auditing, financial management, and institutional governance were included in the analysis.

The time frame of the analyzed literature ranges from 2011 to 2022. The oldest report included in the study was published in 2011, while the most recent was published in 2022. This period was selected to examine the evolution of auditing practices and regulatory frameworks in the Western Balkan region over time.
The analysis was conducted through a systematic review and comparative evaluation of the selected literature. Each article and report was carefully examined

to identify key information regarding audit effectiveness, transparency, institutional performance, financial accountability, internal and external audit systems, and compliance with international auditing standards. Furthermore, the research compared similarities and differences among Western Balkan countries concerning the development of auditing systems, institutional reforms, and public financial control mechanisms.

The findings of the study are presented through descriptive interpretation and comparative analysis, combining theoretical perspectives with numerical and institutional data in order to provide a comprehensive overview of the auditing profession in Western Balkan countries.

Data Analysis and Discussion

According to the 2022 report published jointly by the European Union (EU), SIGMA, and the Organization for Economic Co-operation and Development (OECD), the legal frameworks governing access to public information in the Western Balkan countries are generally considered adequate and largely aligned with international standards. Since 2017, several limited improvements have been introduced to strengthen these frameworks. However, despite the existence of appropriate legislation, significant institutional challenges remain evident across the region.

The report highlights that, with the exception of Montenegro and North Macedonia, governments in the Western Balkans have weakened the institutions responsible for monitoring and ensuring compliance with public access to information laws. As a result, these institutions have faced considerable limitations in effectively fulfilling their core responsibilities and safeguarding transparency and accountability within public administration. Kosovo represents one of the most concerning cases in this regard, where a two-year delay in appointing the Commissioner for Information and Privacy substantially weakened the functioning and effectiveness of the responsible institution.

Furthermore, the report emphasizes that access to public information has generally deteriorated across the region in recent years. Albania is the only country to have demonstrated a significant improvement in the accessibility of public information since 2017, currently sharing fourth place with Serbia in the overall indicator rankings. Nevertheless, proactive transparency remains insufficient throughout the Western Balkans, particularly regarding the publication and dissemination of public data and information through official institutional websites. This lack of proactive disclosure continues to hinder public access to information, institutional accountability, and citizen participation in governance processes.

Table 1 shows that by 2021, several significant datasets that had been publicly accessible in 2017 were no longer available.

The findings of the report by Lazarević et al. (2018) show that Governments in the Western Balkans do not fully and adequately disclose their performance data. They communicate with the public frequently through press releases, but they are much less cautious when revealing their annual performance reports. There are no performance summaries for 2015 and 2016 on the websites of the governments of Serbia, Macedonia, or Albania. The reports now accessible tend to emphasize actions over quantifiable results. In 2016, only 33% of information on the implementation of whole-of-government strategic documents was made public; in Macedonia and Serbia, this figure rose to 40%; in Montenegro, it rose to 50%; in Bosnia and Herzegovina, it rose to 80%; and in Kosovo, it reached 100%. The release of reports by their governments on the achievement of their policy goals is opposed by nearly half of the CSOs polled. Additionally, they believe that their governments are either not making an effort or are failing to accomplish their desired goals.

Table 1. Government officials who are proactive in disclosing data sets

Table 1 presents the level of proactive disclosure of public data among Western Balkan countries. The table compares the availability and transparency of important governmental information, including legislation, public spending plans, procurement data, annual reports, and public registries across the region. The purpose of the table is to evaluate the degree of transparency and public access to governmental information in Western Balkan countries.

	ALB	BIH	XKV	MNE	MKD	SRB
Versions of all primary legislation combined	✓	x	x	x	x	✓
State's spending plan	✓	x	✓	✓	✓	✓
The results of the most recent national elections are published and collected on a single page	✓	x	✓	✓	✓	✓
National data on the unemployment rate and the gross domestic product	✓	x	✓	✓	✓	✓
The government's annual (or multi-annual) work plan	x	x	x	✓	✓	✓
The annual report of the government	x	x	✓	x	x	✓
legislation that the government has proposed and delivered to parliament	✓	x	✓	✓	x	✓
A single website that collects all of the central government's public bid announcements	✓	x	✓	✓	x	✓
Results of all central government-awarded public Bids are collected on one webpage	✓	x	✓	✓	x	x
Corporate registrar	✓	x	✓	✓	x	✓
The land registry	✓	x	x	✓	x	✓
Salaries of specific senior government employees in all ministries	x	x	x	x	x	x

Note: This requirement was satisfied in 2021, as indicated by the bold green checkmark, but it was not in 2017. Where the requirement was met in 2017 but not in 2021, a red cross is displayed. A fading grey cross denotes the absence of something in 2021.

Source. EU (European Union), SIGMA (Creating Change Together), OECD. (2022). *Regional Overview Monitoring Reports Western Balkans. The Principles of Public Administration.*

The findings presented in Table 1 indicate noticeable differences in transparency practices among Western Balkan countries. Albania, Kosovo, Montenegro, and Serbia exhibit relatively higher levels of proactive disclosure than Bosnia and Herzegovina. The results suggest that although some progress has been made in public access to government information, transparency remains inconsistent across the region, particularly regarding annual government reports, procurement results, and the disclosure of salaries of senior public officials.

Lawyers and other legal experts assess the level of investor protection in a nation using the International Finance Corporation questionnaires in accordance with World Bank methodology indicators, with values ranging from 0 to 10, which are used in the Doing Business reports to depict the degree of investment protection (best). The average value of several indices reflecting the degree of disclosure, the degree of director culpability, and the ease of shareholder lawsuit forms the basis for the final value of the sub-indicators (Stevanovic & Belopavlovic, 2020).

Table 2. Western Balkans Countries Investor Protection Index, 2013

Table 2 presents the Investor Protection Index among Western Balkan countries in 2013. The table compares levels of investor protection across several indicators, including disclosure requirements, director liability, shareholder lawsuits, and overall strength of investor protection. The purpose of this table is to evaluate the legal and institutional mechanisms that protect investors and promote transparency and accountability in the financial systems of Western Balkan countries.

	Albania	Macedonia	Montenegro	Serbia	BIH	Croatia
Protecting investors (rank of 189)	14	16	34	80	115	157
The disclosure's size	7	9	5	7	3	1
Scope of the director liability	9	8	8	6	6	5
Straightforward shareholder lawsuits	6	4	6	3	5	4
Strength of investor protection index (0-10)	7,3	7,0	6,3	5,3	4,7	3,3

Source. Slavica Stevanović; Grozdana Belopavlović. (2020). Protection of Investors as a Factor in the Competitiveness of the Economy - Serbia vs. Western Balkan Countries. 646-656.

The findings presented in Table 2 reveal considerable differences in investor protection levels among Western Balkan countries. Albania and Macedonia demonstrate the strongest investor protection performance, with higher scores in disclosure requirements and director liability. In contrast, Bosnia and Herzegovina and Croatia show lower levels of investor protection, indicating weaker legal safeguards and transparency mechanisms. The results suggest that stronger investor protection frameworks contribute to improved corporate governance, increased transparency, and greater investor confidence within the region.

Table 3. Forecasting investment requirements for the "steady-growth" scenario (EUR mn)

Table 3 presents the forecasted investment requirements for the "steady-growth" scenario in Western Balkan countries for the period 2014–2025, expressed in million euros (EUR mn). The table compares projected investment needs among the countries of the region, including Croatia, Montenegro, North Macedonia, Serbia, Albania, Bosnia and Herzegovina, and Kosovo. The purpose of this table is to evaluate long-term investment trends and estimate the financial resources required to support sustainable economic growth and regional development in the Western Balkans.

TIME/GEO	CRO	MNE	MKD	DRB	ALB	BIH	RKS	WB6	WB6+HRV
2014 took place	8004	643	2117	6155	2583	2265	1279	**15041**	**23045**
2015	9767	638	1829	9471	3362	4540	1572	21412	31179
2016	10060	654	1886	9929	3582	4789	1640	22479	32539
2017	10362	670	1944	10408	3816	5051	1712	23601	33964
2018	10673	686	2004	10911	4065	5328	1787	24782	35455
2019	10994	703	2066	11438	4331	5620	1865	26023	37017
2020	11324	720	2129	11990	4615	5928	1946	27329	38653
2021	11664	738	2195	12569	4917	6253	2031	28703	40368
2022	12015	756	2263	13176	5238	6596	2120	30149	42164
2023	12375	774	2333	13813	5581	6957	2213	31671	44046
2024	12747	793	2404	14480	5946	7339	2309	33272	46019
2025	13130	812	2479	15179	6335	7741	2410	34956	48086
till 2020 average	10530	679	1976	10691	3962	5209	1754	24271	34801
10-years average	11535	731	2170	12839	4843	6160	2003	**28297**	**39831**

Source. Claude Berthomieu; Massimo Cingolani; Anastasia Ri. (2016). Investment for Growth and Development in the Western Balkans. 7-147.

The findings presented in Table 3 indicate a continuous increase in projected investment requirements across the Western Balkan countries during the period analyzed. Serbia and Croatia demonstrate the highest investment needs, reflecting their larger economies and infrastructure demands, while Montenegro and Kosovo report comparatively lower investment levels. The overall regional averages suggest a significant rise in financial requirements under the steady-growth scenario, particularly after 2020. These results imply that sustained economic development in the Western Balkans requires substantial long-term investments, stronger financial planning, and improved regional economic cooperation to support infrastructure, institutional reforms, and economic stability.

According to Table 3 by Berthomieu et al. (2016), in the central or "stationary" scenario, the average annual gross investment needs for the WB region (including Croatia) would be EUR 28 billion (EUR 40 billion if Croatia is 3.00 2.44 3.08 4.83 6.54 5.48 4.37 4.82 4.13 -2.00 -1.00 0.00

1.00 2.00 3.00 4.00 5.00 6.00 7.00% 8.00 typical labor force growth from 2001 to 2013 106 included). 59. constant growth rate. It shows that the current investment levels in the WB6 region should be multiplied by about 1.9. We maintain these figures as a desirable "center" value to encourage rapid growth in the region.

Table 4. The WB countries' foreign policies

Table 4 presents the foreign policy characteristics of Western Balkan countries by identifying positive consistencies, common negative aspects, and major divergences among the countries of the region. The table highlights similarities and differences in foreign policy approaches, including goals related to European Union and NATO integration, institutional capacity, democratic practices, diplomatic professionalism, and regional cooperation. The purpose of this table is to evaluate the common foreign policy challenges and strategic orientations of Western Balkan countries within the context of regional and international relations.

Positive Consistencies	Commonalities of Negativity	Divergences
Integration of NATO and the EU is a goal	The diplomatic corps lacks professionalism.	Institutional coherence against incoherence (Albania, Montenegro, Croatia, and Macedonia) (BiH)
	The lack of democracy in the creation of foreign policy	Big Brother (Albania, Macedonia) against independent vision in the search (Serbia)
	Foreign policy that is reactive rather than proactive	Widespread agreement and a positive perspective of neighbors among elites (Albania, Macedonia) as opposed to competing visions (Serbia) -Reactive rather than proactive foreign policy (Croatia in the 90s, Serbia)
	Bifurcated issues	Strong capacities vs. a lack of ability to carry out agreements (Albania, BiH) (Croatia, Serbia)

Source. Dialogues Ownership for Regional Cooperation in the Western Balkan Countries, Weichert et al., 2009, page 35

The findings presented in Table 4 demonstrate that Western Balkan countries share several common foreign policy objectives, particularly regarding European Union and NATO integration. However, the table also reveals significant institutional and political weaknesses, including limited diplomatic professionalism, reactive foreign-policy approaches, and challenges in democratic decision-making processes. Furthermore, important divergences exist among the countries concerning regional cooperation, political visions, and institutional effectiveness. These results suggest that despite shared strategic aspirations for European integration, Western Balkan countries continue to face substantial political and institutional obstacles that undermine the consistency and effectiveness of their foreign policies.

Limitations of the Study

This study has several limitations that should be acknowledged. First, the research is based solely on a limited number of published articles on auditing in Western Balkan countries, which may not fully represent all studies conducted in this field. Second, the study relies primarily on secondary data and prior literature; therefore, the accuracy and quality of the findings depend on the reliability of the original sources. Third, the research focuses primarily on theoretical and descriptive analysis rather than empirical investigation, which limits the ability to provide statistical validation of the findings. In addition, differences in auditing systems, economic development, and institutional frameworks among Western Balkan countries may affect the comparability of the results. Another limitation is the lack of updated and publicly available data for some countries in the region. Finally, the study does not include interviews or surveys with auditing professionals, policymakers, or institutions, which could provide deeper practical insights into the challenges and development of auditing practices in the Western Balkans.

Conclusions and Recommendations

Conclusions

This study analyzed published articles and reports on auditing practices in Western Balkan countries to evaluate the development, effectiveness, and institutional role of auditing in the region. The findings indicate that auditing plays an essential role in improving transparency, accountability, financial control, and institutional governance in both the public and private sectors.

The analysis demonstrated that Western Balkan countries have made gradual progress in strengthening audit systems and aligning their legal and institutional frameworks with European Union standards. However, significant differences remain among the countries regarding transparency practices, investor protection mechanisms, institutional effectiveness, and the implementation of auditing standards.

Furthermore, the study revealed that proactive disclosure of public information, strong investor protection policies, and effective financial oversight contribute positively to public trust and economic stability. Despite these improvements, challenges such as limited institutional capacity, insufficient transparency, political influence, and inconsistent regulatory implementation continue to undermine the overall effectiveness of auditing systems in the region.

Overall, the study confirms that auditing is a fundamental mechanism for promoting good governance, reducing financial risks, and supporting sustainable economic and institutional development in Western Balkan countries.

Recommendations

Based on the findings of this study, several recommendations can be proposed. Western Balkan countries should continue strengthening their auditing frameworks and further harmonize their legislation with international and European auditing standards. Governments and public institutions should improve transparency by increasing proactive disclosure of public financial information, procurement data, and institutional reports. Greater transparency would enhance public accountability and reduce opportunities for corruption and financial mismanagement.

Additional investments should be made in professional training, institutional capacity building, and the modernization of auditing procedures and digital systems. Strengthening the independence and professionalism of auditors is essential for improving audit quality and public trust. Future research should expand the number of studies analyzed and include comparative empirical data from additional countries and institutions to provide a broader understanding of auditing development and challenges in the Western Balkan region.

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