

# **AUDITING OF CORPORATE SOCIAL RESPONSIBILITY (CASE STUDY – ALBANIAN BANKING SECTOR)**

**HOLTJANA BELLO**

Risk&Audit Consulting

E-mail: holtjana.bello@riskandauditconsulting.com.al

**ELVIN MEKA**

European University of Tirana

E-mail: elvin.meka@uet.edu.al

## **Abstract**

In recent years the CSR has been a mainstream to the organization's activities. CSR considers society, environment and ethics in making strategy that can secure economic and competitive advantage of the organizations. CSR takes care of the interest of all stakeholders, rather than that of the shareholders only. In this light, the banking sector needs to take account of the growing importance of CSR worldwide, in order to employ responsible business practices thus, improving long-term business reputation and increasing confidence of customers and business partners.

A necessary part of managing CSR aspect of banking activity is through the assurance provided to the senior management and the board of directors or audit committees on how responsibly banks operate. The internal audit plays a vital role in providing assurance to the board/or audit committees but, CSR auditing is not an all-embracing practice within Albanian banking industry, despite the existence of CSR mission, vision, objectives and risks associated in some banks.

This paper identifies factors that result in successful CSR activities and the contribution the internal auditors can make through their assurance and consultancy role to provide further value-added services. Additionally, it highlights modest efforts in CSR audit activities within banking sector, in Albania although the growing nature of CSR risks and the business ethics, embedded in core corporate values of some banks. Therefore, it emphasize the usage of an audit CSR framework for banking sector's internal auditors, as guidance for auditing socio/environmental areas and enabling them to customize such model to each bank's characteristics.

**Keywords:** CSR, Ethics, Environment, Banking Sector, Audit, Corporate Governance, Accountability, Risk Management.

**JEL classification:** M14, M42.