

**FINANCIAL AUDIT: FEATURES OF CONDUCTING
(ФІНАНСОВИЙ АУДИТ: ОСОБЛИВОСТІ ПРОВЕДЕННЯ)**

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У науковій роботі розглядено особливості проведення фінансових аудитів, які передбачають перевірку та аналіз діяльності суб'єктів господарювання щодо забезпечення законного та ефективного використання державних або комунальних коштів і майна, а також правильності ведення бухгалтерського обліку та фінансової звітності.

Ключові слова: *фінансовий аудит, аудиторські докази, внутрішній аудит, управління фінансово-господарською діяльністю, бухгалтерський облік, ефективність, внутрішній контроль, фінансова звітність, законність, аудиторський звіт, оцінка ризиків.*

The scientific work examines the peculiarities of conducting financial audits, which involve checking and analyzing the activities of business entities to ensure the legal and effective use of state or communal funds and property, as well as the correctness of accounting and financial reporting.

Key words: *financial audit, audit evidence, internal audit, financial and economic activity management, accounting, efficiency, internal control, financial reporting, legality, audit report, risk assessment.*

Financial audit is a key instrument in assessing the financial activities of enterprises and organizations. It aims to ensure the accuracy of financial reporting, identify potential risks and violations, as well as enhance management effectiveness and internal control.

The mechanism of conducting state financial audits by state control and revision bodies involves the verification and analysis of activities, the actual state of affairs regarding the lawful and efficient use of state or municipal funds and property, other state assets, the correctness of accounting, and the reliability of financial reporting. It also involves the functioning of the internal control system of economic entities in the public sector of the economy, as well as other economic entities that receive (or received during the period under review) funds from budgets of all levels and state funds or use (used during the period under review) state or municipal property (hereinafter referred to as audit). This procedure does not apply to budgetary institutions [1].

During the audit, an assessment of the level of financial and economic activity management of the economic entity is mandatory. This assessment is based on criteria such as compliance with legislation and internal regulations, accuracy of accounting, asset preservation, and achievement of set goals. The audit is conducted according to the plan of control and revision work, which is approved by designated government bodies. Before the audit begins, the head of the economic entity is notified of the timing and responsible persons for conducting the audit no later than 10 days before its start. A state control and revision service official must present a direction for the audit, which is confirmed by the seal of the respective authority. The duration of the audit is limited to 90 days. Auditing activities of legal entities that are part of an association are typically conducted simultaneously.

Sources and Methods of Collecting Audit Evidence / Information.

Audit evidence is defined as reliable information collected and documented by the auditor to support conclusions based on the results of internal audit. The collection of audit evidence is a necessary element of audit research, which helps the auditor substantiate opinions and provide appropriate audit conclusions. Therefore, auditors are obliged to determine accurate, proper, and necessary information to achieve the objectives. In turn, the responsibility for the accuracy of information and documentation provided to auditors lies with the officials of the institution that compiled, approved, signed, or certified it [2].

Auditors are obligated to gather, analyze, evaluate, and document information in appropriate volumes sufficient to achieve the purpose of the audit investigation. They must also obtain a sufficient amount of audit evidence necessary for formulating relevant conclusions, which are subsequently used in preparing the audit report. The selected audit methods and the procedures for their application should ensure the validity of the obtained results of the audit investigation. Typically, all these aspects are determined by the audit team during the preliminary investigation stage and included in the audit program. However, during the audit process, there may be a need to supplement or adjust the specified methods and procedures to ensure the quality and objectivity of the audit. Such an approach ensures the adequacy and accuracy of audit conclusions and contributes to identifying the true state of the internal audit object.

Internal audit examines accounting information and its reliability. It controls the rational use of material, labor, and financial resources, ensures compliance with the legality of economic transactions, and detects any abuses or violations. The objective of internal audit is to assist the relevant personnel of the firm or company in performing their duties as qualitatively and effectively as possible. Internal auditors are accountable to the company's management. The goal of internal audit is to improve the organization and management of production, identify and mobilize reserves for its growth [3].

Typically, internal audit includes a review of accounting and internal control systems, which are the responsibility of management personnel. This function involves checking these systems, monitoring their operation, and providing recommendations for their improvement. Internal audit may also involve the examination of financial and economic information, including methods of measurement, classification, and reporting. Additionally, the audit may include a review of the economy and efficiency of activities, as well as compliance with legislation and other external and internal requirements.

During financial audits, transactions are analyzed to determine their compliance with legal norms, completeness of inclusion in financial statements, truthfulness, and accuracy of calculations. In the process of this investigation, internal auditors use two main types of testing: compliance tests, aimed at verifying the reflection of operations in the reports according to established norms, and substantive tests, aimed at verifying the reality of operations and assets, as well as the accuracy of calculations.

Conclusions: In the context of conducting financial audits, it is important to consider not only the process of collecting audit evidence and analyzing financial statements but also financial and economic activity management, the effectiveness of internal control, and compliance with legislation. Internal audit plays a key role in identifying potential violations and optimizing management processes. Proper conduct of audits ensures the reliability of financial reporting, asset preservation, and enhances the trust of stakeholders in the activities of economic entities. Additionally, internal audit identifies reserves for improving efficiency and refining management practices within the enterprise. Such an approach contributes to ensuring stability and development in financial and economic activities at various levels.

Література:

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