

INTERNAL CONTROL SYSTEM IMPROVEMENT ON UKRAINIAN DAIRY INDUSTRY ENTERPRISES

Kryvobok P.

National University of Food Technologies

Nowadays dairy industry holds one of the leading positions in the food industry of Ukraine. Despite cuts in cattle stock and reduction of the consumption of dairy products by the population of Ukraine, opening of the European market for our

manufacturers can increase production capacity [1, c.231]. In its turn, this will stimulate the growth of farms which produce raw materials. Another advantage is the emergence of a new customer, taking into account strained relations with Russia which was a traditional consumer of Ukrainian dairy products [3, c.13]. The first important steps of domestic producers in entering the European market are made. In particular, these are the adoption of a number of international legislative acts and signing of the EU-Ukraine Association Agreement.

However, it does not guarantee working up the European market by Ukrainian dairy products. It is necessary to make transformations both at national and enterprise level. In order to increase the competitiveness of our dairy enterprises, it is necessary to change the approach to internal control, ensuring financial stability of enterprises and possibility of their long-term development. And these problems set the following tasks for domestic enterprises [2, c.24-25]:

- using European quality control standards;
- developing new products;
- using innovative technologies and efficient modes of operation;
- using resources economically, etc.

This is achieved through the effective system of internal control at the enterprise.

Internal control of the company is the process that should be used by all levels of management and employees with the application of control procedures and activities according to the objectives [4, c.25].

Main directions of improvement of internal control at Ukrainian dairies are [1, c.301-302]:

- documentary support (formation of internal documents with detailed description of business operations; ensuring conformity of internal documents to current legislative acts; development of own standards of internal control);
- management (clear division of responsibilities between employees; distinction between functions of internal control and functions of financial and economic activity carried out by the internal control staff; development of job descriptions for managers; system of training and improvement of professional skills of managers);
- risk-oriented internal control (analysis of dairy production process by studying domestic technical regulations, process maps, manuals; development of methods for determining and identifying possible risks, their assessment and analysis with consideration of the possibility of their occurrence);
- department for internal control (establishing the department of internal control at the enterprise; providing the head of internal controls with relevant status, who can carry out the assessment of the effectiveness of the enterprise management system; monitor its effectiveness on daily basis by analyzing data of its effectiveness).

Thus, there is a need to set up a special department which can define its goals, standards, responsibilities and distribute duties among authorized officials. This, in its turn, can provide [2, c.15]:

- efficient operation and development of the dairy enterprise in a competitive environment;
- observance of current legislation and statutory acts, internal policies;
- preservation of assets and efficient use of resources of the enterprise;
- early detection, evaluation and analysis of potential risks with the aim to minimize them;

- efficiency and quality of accounting, reliability of financial and management reporting;
- fraud prevention, detection of errors and their correction.

REFERENCES:

1. Агропромисловий комплекс України: стан, тенденції та перспективи розвитку. Інформаційно-аналітичний збірник (випуск 6) / За ред.П.Т. Саблукатаін. — К.: ІАЕУААН, 2013. -764с.
2. Антонова І.В. Розвиток молочної промисловості і України/ І.В. Антонова // Ефективна економіка. — 2013. — № 12.
3. Бережна А. Состояние мировой молочной промышленности /А. Бережна // Молочная промышленность. — 2014. — № 6. — с.12-14.
4. Гончаренко В.В. Основи діяльності кооперативних організацій. Вітчизняний та зарубіжний досвід: навчальний посібник. / В.В. Гончаренко, А.О. Пантелеймоненко. — Полтава: ПУЕТ, 2012. — 59 с.

Scientific supervisor: Shapran L.Y