

10. The process of audit development in Ukraine

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Introduction. For effective operation, it is essential for every company to conduct a proper financial analysis of its gains and losses. The task of the audit is to provide a professional analysis of a financial state of the company that will be useful for both internal and external users.

Materials and methods. Such scientists in economic literature as M. Bilukha, F. Butynets, G. Davydov, O. Petryk, I. Stefanyuk, O. Redko, V. Shevchuk have already covered topics connected with auditing, however the process of audit development in Ukraine needs to be more researched. To make the following study we will use the information from their scientific papers and from the Law of Ukraine "About auditing activities".

Results. In early 1990s, due to the appearance of the first private companies in common and the first audit companies in particular, such professional activity as auditing appeared in Ukraine. However, over the years, the understanding of audit activity has changed. The Law of Ukraine "About auditing activities" was adopted in 1993. According to this law, auditing was mandatory. In the early 2000s, mandatory auditing was abolished and the demand for auditing fell. However, nowadays, the demand for auditing has increased due to the introduction of the mandatory application of IFRS for the preparation of financial statements by public joint-stock companies, banks, insurance companies, financial service companies etc.

An audit in its original interpretation is an independent verification of the financial statements of an enterprise in order to express an opinion (professional judgment) on the quality of information (completeness, reliability etc.). Both internal and external auditors contribute to a company's audit system in different but important ways: helps to achieve business objectives, assesses the risk of misrepresentation in reports, prevents and detects fraud, and minimizes the cost of capital. Therefore, an auditor is a person who is a professional in his field, studying all the financial records that are in the enterprise. Their task is to ensure that the documents are in order and that the tax laws are regularly observed. There are several types of checks that can be performed, such as compliance audit, construction audit, financial audit, and audit of information systems, investigative and forensic audit, operational audit, tax audit, and cost audit.

In Ukraine the place and role of audit is approaching the positive international practice, as most of the enterprises are switching to accounting according to the international standards.

Conclusion. Although auditing is quite new in Ukraine, it plays an important role in life of any company. The development of audit in Ukraine has gone through a number of stages during which there was a certain transformation of views on auditing.

References

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