

Міністерство освіти і науки України

Національний університет харчових технологій

**80 МІЖНАРОДНА НАУКОВА
КОНФЕРЕНЦІЯ
МОЛОДИХ УЧЕНИХ,
АСПІРАНТІВ І СТУДЕНТІВ**

*“Наукові здобутки молоді –
вирішенню проблем харчування людства
у XXI столітті”*

Частина 4

10–11 квітня 2014 р.

Київ НУХТ 2014

110. The role of internal audit at the enterprise

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Introduction: Business enterprise cannot function without control, as it aims to test the efficiency of the resources, financial flows, activity and performance of various

departments of the enterprise, etc. To eliminate negligence of the employees and deliberate distortion of the real state, an internal control should be introduced on the business entity and business enterprises. The audit emerged due to the distribution of the interests of those who are directly involved in the management of the company, as well as those who invest money into its operation.

Resources and methods: In the study of the role of internal audit the method of theoretical generalization was used. Having analyzed the scientific articles (V.V. Kravchenko «Problems and Prospects of the Development of Internal Audit in Current Economic Conditions» and Yumei Wang, Man Li. The Role of Internal Audit in Risk Management), the legislative basis and other sources, the main functions of internal control and the ways of its improvement were determined.

Internal audit is the kind of audit, carried out by the owner of the enterprise depending on the management needs. Internal audit is an important management function, which includes accounting, financial analysis and control, evaluation and comparison of the achieved results with the aims and tasks of the enterprise.

Internal audit regularly controls the activities of all management facilities, identifies the reasons of deviations from the standards, deviations from the goals set for a specific object, which promotes the efficient elimination of violations. The organization of audit as of a function of business management, means strict regulation of its activities, determination of rights, duties and responsibilities of the professionals, qualification demands, relationships with departments and personnel of the enterprise.

Internal audit is conducted independently and objectively. Organizational independence presupposes direct subordination and accountability of the department of internal control to the head of the enterprise.

Organizational independence is provided by the following means: adoption by the head of the enterprise of the order for the formation of the department of internal audit and a half-year plan of the internal audit; informing the head of the enterprise on the state of implementation of the plan of the internal audit and other tasks, as well as restrictions on the availability of the internal audit or resources.

Results: The feasibility of implementation of the internal audit on the enterprise is defined by the following aspects:

- it helps to get the information on the processes occurring in the entity;
 - it helps to make the most appropriate decisions on general and specific issues of the company;
 - it enables the analysis and evaluation of decisions, the timeliness and effectiveness of their implementation;
 - it allows to detect and eliminate the conditions and factors that prevent effective enterprise development and the achievement of strategic goals;
 - it facilitates the timely adjustment of the company activity or its subdivisions.
- Heads of the department of internal audit believe that the most important tasks currently associated with the improvement of the internal control system, include:
- assessment of reliability and effectiveness of internal control;
 - development of recommendations on improvement of the system of internal control;
 - monitoring the implementation of recommendations.

Conclusions: Internal audit gradually occupies a leadership position in the instrument of more efficient management of the company. Also, internal audit contributes to the speed of information flows for different levels of management and provides the efficiency of decision making. The successful development of enterprises in modern conditions depends

on the existence of effective internal audit. But the internal audit will be useful only if the enterprise sets rational tasks.

References

1. Yumei Wang, Man Li. The Role of Internal Audit in Risk Management // *Procedia Engineering*, Volume 24, 2011, Pages 689-694

2. V.V. Kravchenko. Problems and Prospects of the Development of Internal Audit in Current Economic Conditions // *Scientific works of KNTU. Economical messenger*. – 2010. – Issue. 17. – p. 26-28.