

1. ЕКОНОМІКА ТА УПРАВЛІННЯ ПІДПРИЄМСТВАМИ

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METHODOLOGY TO THE ORGANIZATION OF THE INTERNAL CONTROL SYSTEM

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An important element of the management system is an effective system of internal control. The internal control Department carries out internal audit, identifies deviations of planned indices and actual, indicates directions for further development of the enterprise. The organization of the internal control system at the enterprise allows to improve the enterprise management system, to identify the real position of the company, to determine the causes of the deviations of the state of material and labor resources from the set norms and definitions of untapped working balances, etc. The organization of internal control at the enterprise has its own characteristics: the availability of qualified personnel, distribution of duties between employees who participate in preparing information, observance of formal procedures regarding the implementation of business transactions, the availability of actual control over assets and documentation, opportune preparation of primary documents and the organization of the company's internal audit. The lack of unified approaches to the organization of the internal control system, does not increase management efficiency as large enterprises and medium-sized enterprises. The technology of doing business depends on the proper organization of the internal control system at the enterprise. The article examines the principles of the internal control system at the enterprise. Problematic aspects that may face the company in the organization of the internal control system are identified. Also the term "organization of the internal control system" is defined. The main stages of building the internal control system are presented. The authors suggest the model of the organization of the internal control system at the enterprise.

Key words: organization, system, stages, potential, internal control.

МЕТОДОЛОГІЯ ОРГАНІЗАЦІЇ СИСТЕМИ ВНУТРІШНЬОГО КОНТРОЛЮ

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Важливим елементом системи управління, як показує досвід, є ефективна система внутрішнього контролю. Служба внутрішнього контролю здійснює внутрішню перевірку, виявляє відхилення планових показників від фактичних, вказує напрямки подальшого розвитку підприємства. Організація системи внутрішнього контролю на підприємстві дає змогу удосконалити систему управління підприємством, виявити реальний стан підприємства, визначити причини відхилень стану матеріальних і трудових ресурсів від заданих норм та визначення невикористаних резервів тощо. Організація внутрішнього контролю на підприємстві має свої особливості: наявність компетентного персоналу, наявність розподілу посадових обов'язків між працівниками, що беруть участь у формуванні інформації, дотримання формальних процедур щодо здійснення господарських операцій, наявність фактичного контролю за активами та документацією, своєчасне складання первинних документів та організація на підприємстві внутрішнього аудиту. Відсутність єдиних підходів до організації системи внутрішнього контролю, не сприяє підвищенню ефективності управління як великих підприємств, так і підприємств середніх масштабів. Від правильної організації системи внутрішнього контролю на підприємстві залежить дотримання ведення технології бізнесу. У роботі досліджено принципи організації системи внутрішнього контролю на підприємстві. Визначено проблемні аспекти, з якими може стикатися підприємство при організації системи внутрішнього контролю. Визначена інтерпретація дефініції «організація системи внутрішнього контролю». Сформовано основні етапи побуди системи внутрішнього контролю. Побудовано модель організації системи внутрішнього контролю на підприємстві.

Ключові слова: організація, система, етапи, потенціал, внутрішній контроль, ефективність.

МЕТОДОЛОГИЯ ОРГАНИЗАЦИИ СИСТЕМЫ ВНУТРЕННЕГО КОНТРОЛЯ

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Как показывает опыт, важным элементом системы внутреннего контроля является эффективная система внутреннего контроля. Служба внутреннего контроля осуществляет внутреннюю проверку, выявляет отклонения плановых показателей от фактических, указывает направления дальнейшего развития предприятия. Организация системы внутреннего контроля на предприятии позволяет усовершенствовать систему управления деятельностью предприятия, определить реальное состояние предприятия, выявить причины отклонений материальных и трудовых ресурсов от заданных норм и выявить неиспользованные резервы. Организация внутреннего контроля на предприятии имеет свои особенности: компетентный персонал, наличие распределения должностных обязанностей между работниками, которые принимают участие в формировании информации соблюдения формальных процедур относительно осуществления хозяйственных операций, наличие фактического контроля активов и документации, своевременное составление первичных документов, организация на предприятии внутреннего аудита. Отсутствие единого подхода к организации системы внутреннего контроля препятствует повышению эффективности управления как больших предприятий, так и предприятий средних масштабов. От правильной организации системы внутреннего контроля на предприятии зависит соблюдение ведения технологии бизнеса. В работе исследованы принципы организации системы внутреннего контроля на предприятии. Определены проблемные аспекты, с которыми может столкнуться предприятие при организации системы внутреннего контроля. Определена дефиниция «организации системы внутреннего контроля». Сформированы основные этапы построения системы внутреннего контроля. Построена модель организации системы внутреннего контроля на предприятии.

Ключевые слова: организация, система, этапы, потенциал, внутренний контроль, эффективность.

STATING OF THE PROBLEM

The modern state of Ukraine's economy dictates the companies certain standards for the functioning and development. For the effective functioning an enterprise needs a perfect and flexible management system that is able to adapt quickly to the conditions of the external and internal environment. Internal control is a key element of enterprise management system. This is due to the fact that almost all decisions are made on the basis of information obtained as a result of control. The current system of internal control is the ground for the improvement of the management system, efficient use of all resources of the enterprise, social protection of workers. The organization of the internal control system at the enterprise allows to improve the enterprise management system, to identify the real position of the company, to determine the causes of the deviations of the state of material and labor resources from the set norms and definitions of untapped working balances, etc.

ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

Problems of the system of internal control in enterprises reflected in scientific works of scientists: V. V. Burtsev, V. D. Belik, N. G. Vygovs'ka, V. F. Maksimova, B. M. Sokolov [1-6] and others. Study of theoretical and methodological foundations of the internal control system dedicated their scientific work such domestic and foreign scientists: O. B. Akyentyeva, M. V. Borisenko, V. V. Burtsev, L. V. Dikan, R. O. Kostyrko, L. V. Sotnikov, T. V. Fomin, M. G. Chumachenko, A. A. Shpyg [7-10]. However, despite great scientific heritage, there is limited researches regarding the organization of the internal control system at the enterprises of machinery construction. All this provides the relevance of the study.

THE STATEMENT OF OBJECTIVES (PROBLEM)

The purpose of this paper is to validate the methodology of the organization of the system of internal control at enterprises and achieving the main goal of management.

THE MAIN MATERIAL OF THE STUDY

The term «organization» comes from the Latin word «organize», which means a clear and organized view, association. The French word «organization» means an organization, formation, correlation.

Effective organization of the internal control system in the enterprise management system is supported by the implementation of principles covering the control activities in general.

1. *The principle of responsibility.* The implementation of this principle involves economic and administrative responsibility of a subject of control for the improper discharge of his control functions. Responsibility should be formally set for each subject of control.
2. *The principle of balance.* This principle implies the impossibility of delegation of certain functions to a subject of control without providing him with the necessary means to implement them. Determining duties of subjects of control it is necessary to set out clearly the sphere of his rights and opportunities and vice versa.
3. *The principle of timely reports of deviations* provides that the information on corresponding deviations must be submitted to the authorized persons who are competent to take appropriate management decisions in the shortest possible time. If information is not possible to be immediately sent, an object changes to another state where consequences according to results of deviations are intensified and the control loses its meaning.
4. *The principle of integration* emphasizes that each control cannot exist separately. Control should be considered in the overall integration of all control elements. Control implementation requires close contact between employees of all structural subdivisions of an enterprise.
5. *The principle of conformity of control system with controlled one.* This principle implies that the degree of the internal control system (ICS) complexity must correspond with complexity of the controlled system. The elements of ICS should be flexible and able to adapt to changes of the appropriate elements in subsystem of objects of internal control of an enterprise.
6. *The principle of stability* involves constant functioning of the ICS that will allow us to detect and prevent possible deviations and their consequences.
7. *The principle of complexity* emphasizes that objects of different types should be covered by adequate control. It is impossible to achieve efficiency by focusing attention on objects of a certain range.
8. *The principle of coordination of throughput capacity of the individual elements of ICS* provides that in a separate related links of ICS it is necessary to provide coordination in data transmission.
9. *The principle of duties separation* provides that the functions between employees must be distributed in such a way to avoid the simultaneous fulfillment of the following: approval of transactions with certain assets, registration of this operation, providing the preservation of these assets and their inventory. To prevent misuse these functions should be distributed between several employees.
10. *The principle of the solution and approval* provides a formal resolution of all financial and business transactions for responsible persons within their authorities. In the absence of formally established procedures for the authorization ICS of an enterprise cannot be considered effective [1].

The ICS organization at the enterprise depends on several important aspects of the enterprise. Agreeing with the opinion of the scientist N. G. Vygovs'koji these aspects include the legal form of an enterprise, types and scope of activities, the complexity of the organizational structure, sufficiency of financial resources, control of all aspects of an enterprise activities and the attitude of the leadership of an enterprise to control [2, p. 79-80; 3]. We agree with all aspects of the organization of the ICS that are identified by the scientist. However, we think it is necessary to add strategic goals and objectives of the company and qualified personnel.

For small and some medium-sized enterprises, which are not characterized by large volume of business and number of workers and have limited financial resources, forming of separate structures

of control departments is additional costs that they cannot afford, therefore, the control functions are implemented by the accounting department.

The organization of the internal control service is a complex form of organization, which requires significant financial investments. Therefore, ICS is organized more often at large enterprises, which have branches and subsidiaries, a complex organizational structure of different types and directions of activity.

Organizing ICS an enterprise can meet some problems. Professor V. F. Maksimova in her research has identified five potential problems in ICS organization at the enterprise.

They include:

- the attitude of the leadership of an enterprise to the organization of control system (excessively large impact on the functioning of leading staff system, can reduce the independence and objectivity of control);
- problems in use of complicated control systems at small enterprises (objectivity of control at such enterprises is reduced because its functions are performed by the management or officials);
- limitation the effectiveness and efficiency of control by the management (the control system will not be effective in the case of plot of leadership and the chief accountant or controllers (internal auditors, inspectors);
- the use of ineffective means of control (if monitoring systems are not effective, they are not necessary, because it will lead the company to losses);
- the degree of trust to internal economic current control (internal controllers (auditors, inspectors) should be professionals, have independence from units that are inspected) [3, 4].

We agree with all of these possible problems. However, we consider that proper division of responsibilities among control subjects should be noted to avoid duplication of control functions.

If a company has a large range of activities and significant financial resources, leadership weighed the pros and cons and determined that the economic effect of ICS introduction will exceed costs of its forming. In such case they make a decision to organize ICS at the enterprise.

As the scientist N. G. Vygovs'ka thinks, the system of internal control can be organized at the enterprise at the time of its foundation, acquisition of business and changing ownership of a controlling stake [5, p. 321].

At the time of enterprise foundation the owner carries out preliminary control. This control is in approval of Charter and internal documents by the owner; identification of the personnel in the Executive branch, an auditor, audit Committee members; establishing the procedure for reorganization and liquidation of the company; appointment of the head to the post of the owner, defining his authorities and duties; owner defines restrictions on the sale of the property, its leasing, using it as mortgage; establishing procedures to control financial and economic activity of an enterprise, the order of accounting and reporting.

At acquisition of business current control is exercised. This kind of monitoring is done at the moment when the operation is carried out. This kind of monitoring is to control the receipt and expenditure of funds current reporting. If the owner does not work for the company then the current control is carried out periodically through the selected Board of Directors, etc.

When changing the owner of a controlling stake next control is carried out. This type of control is aimed to control the production and financial – economic activity; to assess the safety of the property of the company; to analyze financial reporting [3].

The organization of ICS at the enterprise is a complex and long process that goes through several stages (fig. 1).

Organizing the internal control system all its principles should be taken into account. You must also define the effectiveness indicator of the ICS (individual elements of control in total), which is obtained on the basis of expert estimates and calculations. The effectiveness of the ICS must be greater than its cost, taking into account lost alternative income.

Internal control system of a company can be organized in three forms: in the form of internal audit, audit services, and structural-functional form.

The internal audit service will be the most effective, it will be functionally subordinate to the Board of Directors, that acts in the interests of the owner of the enterprise, but administratively – to the Director General.

Structural and functional form of internal control includes: the development of the complex normative documents by personnel and consultants (these documents regulate the interaction between structural units and leaders as for control actions); documenting the results if such control actions; preparing resolutions for elimination of revealed defects and control over their implementation.

Very promising is the combination of the internal audit system with the structural-functional form of control. This way is very useful from the viewpoint of cost savings while providing rather high degree of efficiency of the internal control system. In this case, a small system of internal audit plays the role of an organizer and a methodologist for the audit work carried out mainly by controllers who work in other departments of organization [3].

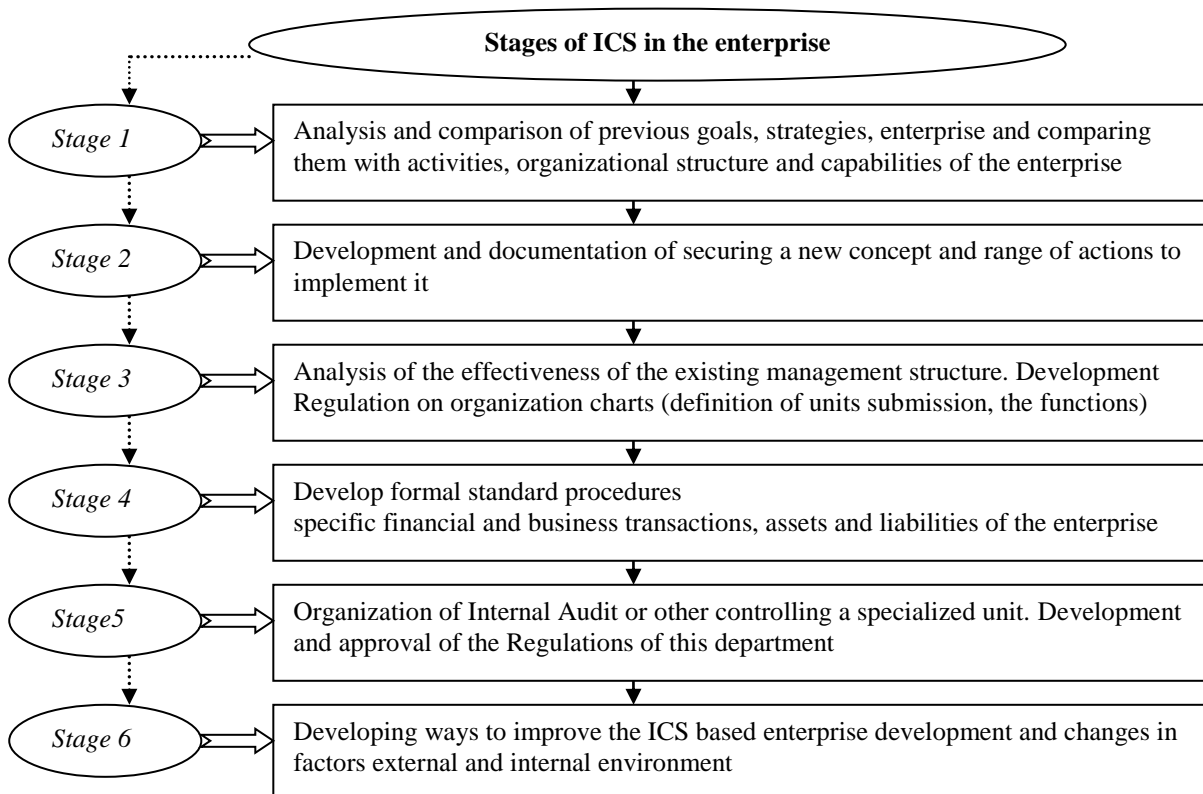


Fig. 1. Stages of ICS in the enterprise

Control as the process is a comparison of actual results with the planned ones. Internal control as an important element of the activity management system of the enterprise is preventive and helps to avoid violations. The purpose of internal control is the prevention of violations, errors and misuse for protecting the interests of the owners of the enterprise. For the organization of the system of internal control of the enterprise the following conditions must be implemented:

- the presence of a unit that has monitoring functions;
- clear separation of control functions of employees who carry out control prevent duplication of control functions;
- the presence of a regulatory provision, which defines the implementation of internal control at the enterprise;

- the formation of the methodology for monitoring the controlled objects;
- reliable information support that is provided by the results of accounting;
- analysis of information obtained from the results of accounting and its addition to the information on the results of internal control;
- use of systems for data automated processing that will speed up the processing of information and will save time.

Thus, under the organization of internal control we mean the integration of resource and institutional capacity of the internal control system in which control subjects receive accurate information regarding the objects of control and transmit it to the managers of higher level to adjust the technology of control and prevent errors making managerial decisions. The model of organization the system of internal control at the enterprise is suggested in fig. 2.

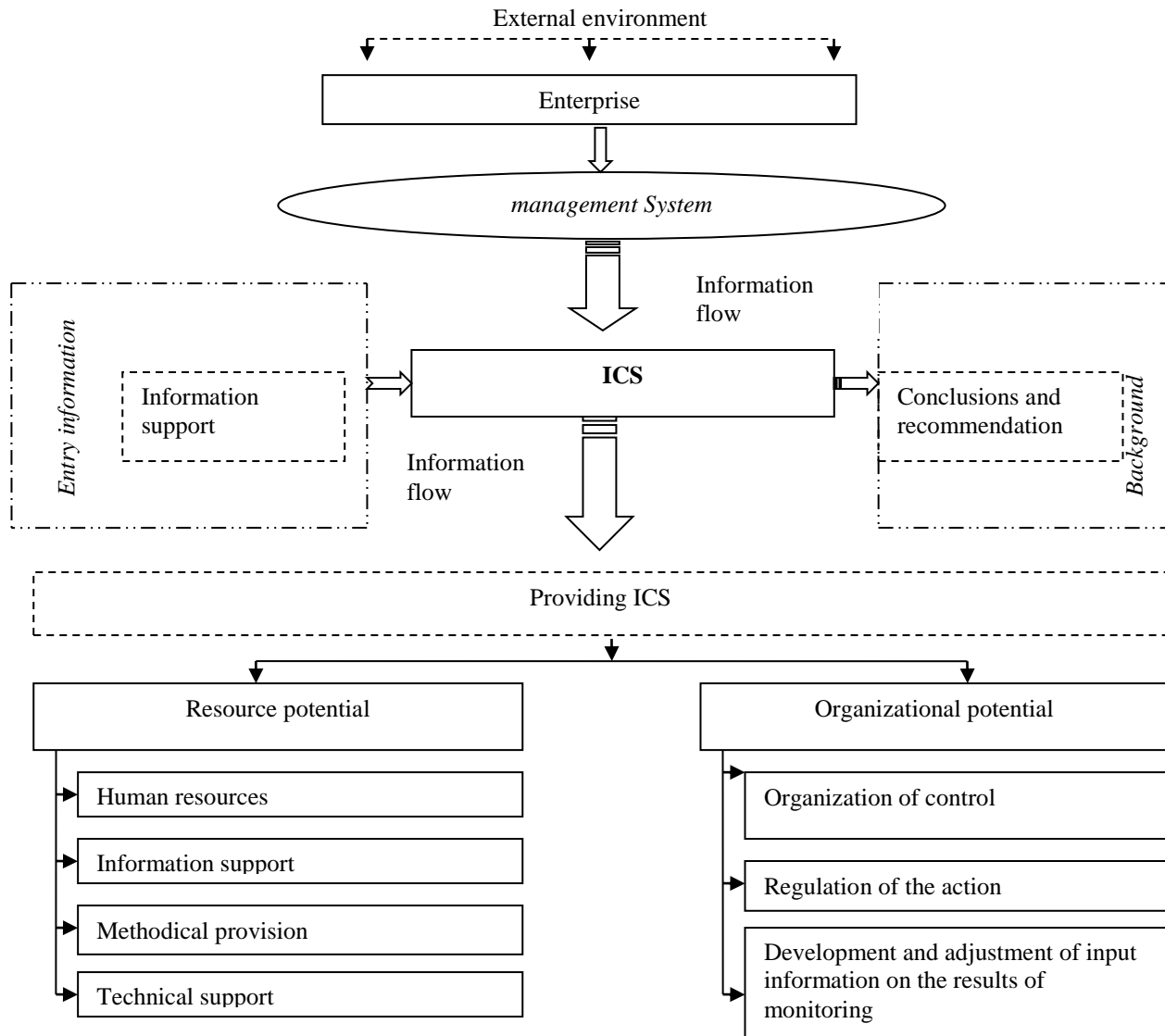


Fig. 2. The model of the internal control system in the enterprise

Summing up, let's define that the organization of an effective system of internal control at the enterprise will allow:

- to provide the effective functioning of an enterprise in the strict competitive environment, the development of a company in accordance with established aims;
- to provide the conservation and rational use of resources of an enterprise;
- to provide the timely identification and elimination of commercial, internal, financial risks in the management of an enterprise;
- to provide the formation of an adequate system of information support of all levels in enterprise management, which is able to adapt to the changing environment.

CONCLUSIONS

The main scientific result is in formation of the methodological approach to the organization of ICS at the enterprise. The results of the study allow to come to the following conclusions.

1. Under the organization of internal control we mean the integration of resource and institutional capacity of the internal control system in which control subjects receive accurate information regarding the objects of control and transmit it to the managers of higher level to adjust the technology of control and prevent errors making managerial decisions.
2. Suggested methodological approach to the construction of ICS at the enterprise will provide improvement of activities and achievement of the main goal of enterprise management.

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