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FEATURES OF IMPLEMENTATION OF AUDIT FOR SMALL ENTERPRISES

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Purpose and objectives. The main objective is to reveal the peculiarities, methodological and organizational issues of the audit of small enterprises. The main objectives of the study are to summarize and disclosure features of the audit on small enterprises.

Object and subject of research. The object of the study is the peculiarities of the audit of small enterprises. The subject of the study is theoretical and methodological peculiarities of conducting an audit in small enterprises in Ukraine.

Research results. Small businesses often prefer to use well-known accounting software designed for use on a personal computer. Many of the software products have already been tested and widely accepted. Therefore, if properly used, they can serve as the basis for a reliable and efficient accounting system. Given the size of small businesses and economic considerations, the use of such enterprises by a complex internal control system is inappropriate and undesirable. In addition, the possibility of division of responsibilities is limited due to the small number of employees. However, even in small enterprises, it is advisable to provide a division of responsibilities in a number of key areas of work, as well as the availability of a simplified and at the same time an effective control system. Operational control, carried out directly by the owner-manager, can have a positive value, since the owner-manager is personally interested in preserving the assets of the enterprise, assessing the results of its activities and in control of it. According to the current legislation [2], small enterprises are not subjects of mandatory audit, but in some cases, small business entities themselves initiate an audit of financial statements. For example, the bank agrees to provide a loan only in the presence of confirmation of information, or a potential investor requires a guarantee of reliability of the reporting. Involving an independent auditor in such cases can help a small company achieve its goals. Thus, in the process of carrying out financial and economic activities by small businesses, some issues can be solved by attracting independent auditors who have to focus their attention on the peculiarities inherent in the methodology for conducting an audit of small enterprises [1]. It should be noted that the problems and peculiarities of the audit of small business entities are not sufficiently investigated in scientific publications and are not subject to any standard of audit. During the audit, the auditor adapts the method of conducting the audit to the specifics of the given entity and the specific audit task. In the audit of small enterprises, it is very important to choose the correct method of verification that can allow an adequate assessment of the state of the accounting and internal control system of a small enterprise. The objectives of the audit on the assessment of the internal control system of a small enterprise can be to assess the sustainability and efficient operation of the enterprise, ensuring the conservation and rational use of resources, accuracy and completeness of accounting records, in a timely manner preparation for reporting.

Thus, in the audit of small enterprises there may be restrictions related to the specifics of small enterprises, as subjects management. Limitation of the scope of audit in the process of audit of small enterprises may be due to the lack of division of powers between employees, the peculiarities of management and the role of the owner of a small business in its activities, as well as the form of accounting and the compilation of financial statements [3]. The potential sources of risks that may arise in the audit of small enterprises: keeping records in a simplified form without the use of appropriate software; Irregularity of entering accounts; insufficient separation of powers and responsibilities



between employees; the combination of employees of the functions of accounting and asset management, which creates the basis for abuse. When auditing small businesses, the auditor should apply appropriate audit procedures, among which one can distinguish: inventory-checking whether the actual availability of values for a particular date on their accounts; examination of documents - formal, arithmetic, chronological examination, authenticity of primary documents and reporting; verification of the legality of economic transactions, the correct functioning of automated information systems, compliance with the schedule of document circulation, as the optimal way of passing the original document of the enterprise from the moment of its compilation and to archiving; comparison of the results of the enterprise with the planned indicators and the data of competitors. Given the important role played by small business entities in the domestic economy, there is a need for the effective use of international auditing standards (ISAs), taking into account the particularities of the functioning of small enterprises [5].

Thus, according to MSA 320 "Significance in planning and conducting an audit", the auditor should assess the level of materiality from both qualitative and quantitative point of view. When conducting an audit of financial statements of small businesses, the issue of materiality is relevant, since they, more often, have insignificant figures of production and compile financial statements in a shortened form. In order to reduce the audit risk and prevent the data from being distorted, it is expedient to carry out a thorough check, taking into account all the indicators. According to ISA 530 "Audit sampling" there are different methods of selecting the articles of accounting for verification: the selection of all objects of accounting; selection of specific objects of accounting; audit sample. When developing an audit sample, you need to consider the goal to be achieved and the combination of audit procedures that will help achieve this goal. Given the insignificant volume of the general aggregate of data subjects of small business, it is advisable to check 100% of elements of the general population or 100% of elements of a certain part of the general population. At the same time, analytical procedures should be applied to the balance of the aggregate in the case of its significance [4].

Conclusions. Thus, taking into account the specifics of accounting and compilation of financial statements by small business entities, as well as the use of ISA during the audit, will provide objective results that reflect the actual state of the small enterprise. It ensures the reduction of audit risk during the verification of small enterprises and will enable the auditor to form a sound opinion when drawing up an audit report.

Keywords: Audit, International Auditing Standards, Small Businesses, Audit Particulars.

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