

Section: Accounting, Analysis and Audit: National Peculiarities and World Trends

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**DETERMINATION OF AUDIT ACTIVITY IN MODERN
CONDITIONS**

At the current level of economic relations in Ukraine, in the context of the rapid development of non-state-owned enterprises, there is a need for the establishment and further development of an independent audit.

The legal basis for independent audit activity in Ukraine by the end of 2017 was based on the Law of Ukraine "On Audit Activity" of April 22, 1993. At the end of 2017, on December 21, the Law of Ukraine "On Audit of Financial Reporting and Auditing" was adopted, which determines the legal basis for the audit of financial statements, the conduct of audit activity in Ukraine, and regulates the relations that arise in its proceedings [1].

The main objective of this Law is to create a system of independent financial control in order to protect the interests of the owner. The tasks of the auditor are:

Assessment of the level of accounting, qualifications of accounting personnel, the quality of information processing (especially the primary documentation), the correctness and legality of accounting records;

Assistance to enterprises through recommendations to address shortcomings, especially those violations that have a direct impact on financial results, affecting the reliability of reporting indicators;

The need to assess not only past facts and existing credentials at the moment, but also the orientation of the audited organization's leadership to those future events that can affect economic activity and the end result [2].

According to the Law, the concept of audit activity is the independent professional activity of auditors and audit entities registered in the Register of Auditors and Audit Entities, with the provision of audit services.

Audit services - audit, review of financial statements, consolidated financial statements, execution of tasks on other assurance and other professional services provided in accordance with international auditing standards.

Audit of financial statements - an audit service for the verification of accounting data and indicators of financial statements and / or consolidated financial statements of a legal entity or a representative office of a foreign entity or other entity that presents the financial statements and the consolidated financial statements of the group for the purpose of expressing the independent opinion of the auditor on its compliance in all material respects with the requirements of national accounting regulations (standards), international financial reporting standards or other requirements.

The task of compulsory audit of financial statements is the provision of reasonable assurance that is accepted and performed by the entity in accordance with the requirements of this Law and international standards of audit by checking the financial statements or consolidated financial statements in order to express an independent opinion of the auditor on its compliance with all significant aspects and compliance with the requirements of international financial reporting standards or national accounting (statutory) standards and laws of Ukraine.

Audit services may be provided in the form of audits (audits) and related examinations, consultations on accounting, reporting, taxation, analysis of

economic activities and other types of economic provision of entrepreneurial activities of individuals and legal entities.

The main objective of the audit activity is to establish the reliability of the accounting or financial reporting of economic entities and the compliance of their financial and economic operations with the normative acts in force in Ukraine.

Regarding the range of audit services, some authors propose to revise the list of services approved by the Audit Chamber of Ukraine that can be provided by auditors, and to divide the works into compatible and incompatible ones when conducting various types of audit inspections [3, c.887].

Many scientists confirm the need to create and maintain an appropriate quality control system for the audit firm, which is an integral part of ensuring the audit of financial statements and the provision of other related services [4].

Also, some aspects of the audit methodology, in particular, the procedures for obtaining audit evidence [5], the use of sample surveys in the general system of audit procedures [6], the detection of fraud in the course of an audit [7], as well as the method of conducting audits of business entities of certain types business activities [8].

A risk-based audit is perhaps the most significant and significant development of the audit history. The growth of the competitive and risky environment of the country's economy leads to increased risk management of the enterprise. Of particular importance in the management and control of risks is internal audit, which is devoted an increasing number of scientific works [9].

Auditors or audit firms) may also provide other audit services related to their professional activities, in particular, on maintaining and restoring accounting, in the form of consultations on accounting and financial reporting, examination and assessment of the state of financial and business activities and

other types of economic and legal provision of economic activities of economic entities.

Considering the requirements of the legislation to the criteria of the specifics of the research objects, respectively, which forms the required professional level of audit, should be considered compliance:

The norms of the Law of Ukraine "On Audit of Financial Reporting and Auditing Activities";

Licensing requirements and conditions;

Norms of professional ethics;

Requirements of international auditing standards;

Requirements of the internal rules (standards) of the audit firm and the professional audit company, which includes the firm;

Terms of the contract for the provision of audit services and obligations arising from the essence of the legal relationship established by this agreement.

In this regard, it is advisable to establish requirements for economic entities of public interest.

This concerns the signing by the management of a statement of assurance of the information contained in the financial statements, and the legal liability for the signature of false data. It is appropriate to adopt a Code of Corporate Conduct for the Director General, the CFO and other employees and disclosure as part of the annual financial statements.

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