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INTERNAL CONTROL AND AUDIT AT THE ENTERPRISE IN CONDITIONS OF DIGITALIZATION "ROSTOK-ELEKOM" IN COMPARISON WITH THE GLOBAL EXPERIENCE OF DIGITALIZATION AT ENTERPRISES

ВНУТРІШНІЙ КОНТРОЛЬ І АУДИТ НА ПІДПРИЄМСТВІ В УМОВАХ ДІДЖИТАЛІЗАЦІЇ ІЗ ЗАСТОСУВАННЯМ МІЖНАРОДНИХ ПРАКТИК (ТОВ «РОСТОК-ЕЛЕКОМ»)

Summary. *The article analyzes and reveals the topic of internal control and audit at the enterprise with the help of international practice.*

The relevance of this topic lies in the fact that in the era of digital technologies

internal control and audit are also actively developing. A large number of digital products are emerging to facilitate the process of internal control and audit for specialists, which allows them to process a large amount of information in less time.

The purpose of this article is to reveal the importance of the digitalization process in modern conditions of technological development and to compare the conditions for digitalization of internal control and audit using the example of international practice of digital development.

Various aspects of covering the topic of digitalization of internal control and audit at the enterprise were considered by such domestic and foreign scientists as: Ambartsumov M.O., Oneshko S. V., Viter S. A., Viremeychik A. M, Pisano, M. and Ray, E., Brian Posey.

Studying the scientific works of these researchers allows us to deepen our knowledge and more broadly consider the opportunities that digitalization gives us and explore the issues of the development of internal control and audit in today's conditions.

Key words: *digitalization, audit, audit process, COSO system, IT technologies, internal control.*

Анотація. *У статті аналізується та розкривається тема внутрішнього контролю та аудиту на підприємстві за допомогою міжнародної практики.*

Актуальність цієї теми полягає в тому, що в епоху цифрових технологій також активно розвивається внутрішній контроль та аудит. З'являється велика кількість цифрових продуктів, що полегшують процес

внутрішнього контролю та аудиту для спеціалістів, що дозволяє їм обробляти великий обсяг інформації за менший час.

Метою цієї статті є розкриття важливості процесу цифровізації в сучасних умовах технологічного розвитку та порівняння умов цифровізації внутрішнього контролю та аудиту на прикладі міжнародної практики цифрового розвитку.

Різні аспекти висвітлення теми цифровізації внутрішнього контролю та аудиту на підприємстві розглядали такі вітчизняні та зарубіжні науковці, як: Амбарцумов М.О., Онешко С.В., Вітер С.А., Віремейчик А.М., Пізано М. та Рей Е., Браян Поузі.

Вивчення наукових праць цих дослідників дозволяє нам поглибити наші знання та ширше розглянути можливості, які нам надає цифровізація, а також дослідити питання розвитку внутрішнього контролю та аудиту в сучасних умовах.

Ключові слова: *діджиталізація,аудит,процес аудиту,система COSO,IT технології, внутрішній контроль.*

Presentation of the main material. In the context of the development of technology, various industries began to develop, which also had an impact on the field of auditing.

The purpose of internal control is to ensure the reliability of financial reporting, internal control of the enterprise and the quality of accounting information are very important for enterprises. Digitalization makes it possible to improve the level of reliability and detail of the studied array of information, which, thanks to the development of technologies in the field of analysis of large volumes of information, makes it possible to facilitate this process and automate it and process larger volumes of information. Since internal control and auditing are fairly young processes in Ukraine, they are not as developed as in other countries of the world, but every year they are improved through the use of certain

processes. Referring to international experience, we will give an example: the COSO Framework system is a system that is used to create internal control that will be integrated into business processes. Taken together, these controls provide sufficient confidence that the organization operates in accordance with professional ethics, transparently and in accordance with established industry standards [2].

Internal control of the enterprise is an effective method of control over supervision, management and prevention of risks. In international practice, the COSO system is used. The audit and internal control process in Ukraine, including, is based on this system.

New accounting standards and rules of Ukraine provide that the quality of accounting information requires that the accounting information provided in the financial report of the enterprise be true and reliable. Both of the above focus on the quality of accounting information. Therefore, internal control of the enterprise and the quality of accounting information are very important for enterprises. In addition, the relationship between them is very close.

Internal control, as defined in COSO, directly indicates that the purpose of corporate internal control is to ensure the reliability of financial reporting, operational efficiency and effectiveness, compliance with relevant laws and regulations [2].

This is the basis of the audit process, as one of the elements of internal control, and a scientific paper from Keiser University [6] will help us to understand this in more detail. It notes that at first glance it may seem that automated technologies will replace auditors, making this profession obsolete. However, the opposite is true: the role of automation and artificial intelligence in auditing emphasizes the importance of having qualified auditors with intuitive knowledge on staff. Although artificial intelligence and machine learning technology may replace some auditors who perform tasks manually, these technologies actually pave the way for a more creative future for auditors. Over

time, auditors will be more responsible for interpreting and analyzing results, developing new accounting standards, implementing new technologies, and identifying risk areas that can help improve overall quality assurance.

Aspects of digitalization of internal control and audit



Fig. 1. Issues of digitalization in the enterprise

Source: summarized by the author

In order to solve the problems that have arisen in the process of digitalization of internal control and audit at enterprises in Ukraine, preventive measures are currently being introduced to eliminate and prevent such cases.

Most departments in the current conditions experience personnel and financial constraints, which significantly affect the efficiency and quality of internal audit. To solve the problem of organizing the work of personnel, the enterprise can optimize the workflow of analyzing accounting information.

The development of modern technologies is introducing significant changes in the work of specialists engaged in auditing activities. Improving the skills of specialists who have IT skills in the field of analysis and audit is possible through courses aimed at expanding specialized knowledge of working with IT software products, which specialists then use in practical experience. To do this, companies can send their employees to these courses and thereby not lose

valuable professionals who will benefit the enterprise by analyzing more information using IT software.

In modern conditions, an enterprise can speed up and make the audit and control process more accurate and detailed using programs such as:

"CaseWare IDEA" is an audit and data analysis product widely used by accounting and finance departments. Its functionality includes the ability to process large amounts of data, search for complex patterns and trends, and detect errors or fraud. It is a powerful tool that can greatly simplify audits and quality control [2].

"TeamMate" is an audit management system developed by Wolters Kluwer. It provides auditors and audit teams with the ability to manage all aspects of an audit. TeamMate can help organize the audit process, from planning to execution and report preparation, all in one place. "IBM Watson", "Microsoft AI", "Google AI" can analyze large volumes of unstructured data (e.g. text documents, audio and video recordings), identify patterns or anomalies, and provide predictive data to assist auditors in their work [2].

"CaseWare IDEA", "TeamMate" can automatically analyze large volumes of data, identify deviations from the norm, conduct compliance checks, and generate detailed reports.

Today, there are a large number of software products that can solve many problems of organizing an audit in the digital economy, but there is no comprehensive solution that could unite all audit results today, and therefore each audit does not have signs of universality. Since an audit is a unique procedure that is carried out in accordance with the conditions of the customer's company, this does not allow a clear pricing policy to be formed and clear models for the provision of audit services to be built [3].

This prevents the audit process from being fully automated. The solution to this problem lies with IT specialists, who in the future can create a single

software product that will contain all the necessary processes and functions for a comprehensive and full-fledged audit.

In contrast to the negative aspects in the process of developing and organizing the digitalization of accounting information at the enterprise, there are no less important positive elements that improve the work of the auditor, as they become more automated due to the development of technologies.

It is worth paying attention to such scientists as S. V. Oneshko, S. A. Viter, A. M. Viremeychyk [9]. They note that the state of development of the national economy requires changes in the implementation of audit activities. This directly concerns the improvement of audit methodology both on the basis of new technologies and with the application of international audit standards.

For a more detailed understanding and better perception of the materials of this work, let us consider the positive key aspects. Such positive aspects of digitalization of both internal control and audit are:

Positive aspects of digitalization of internal control and audit

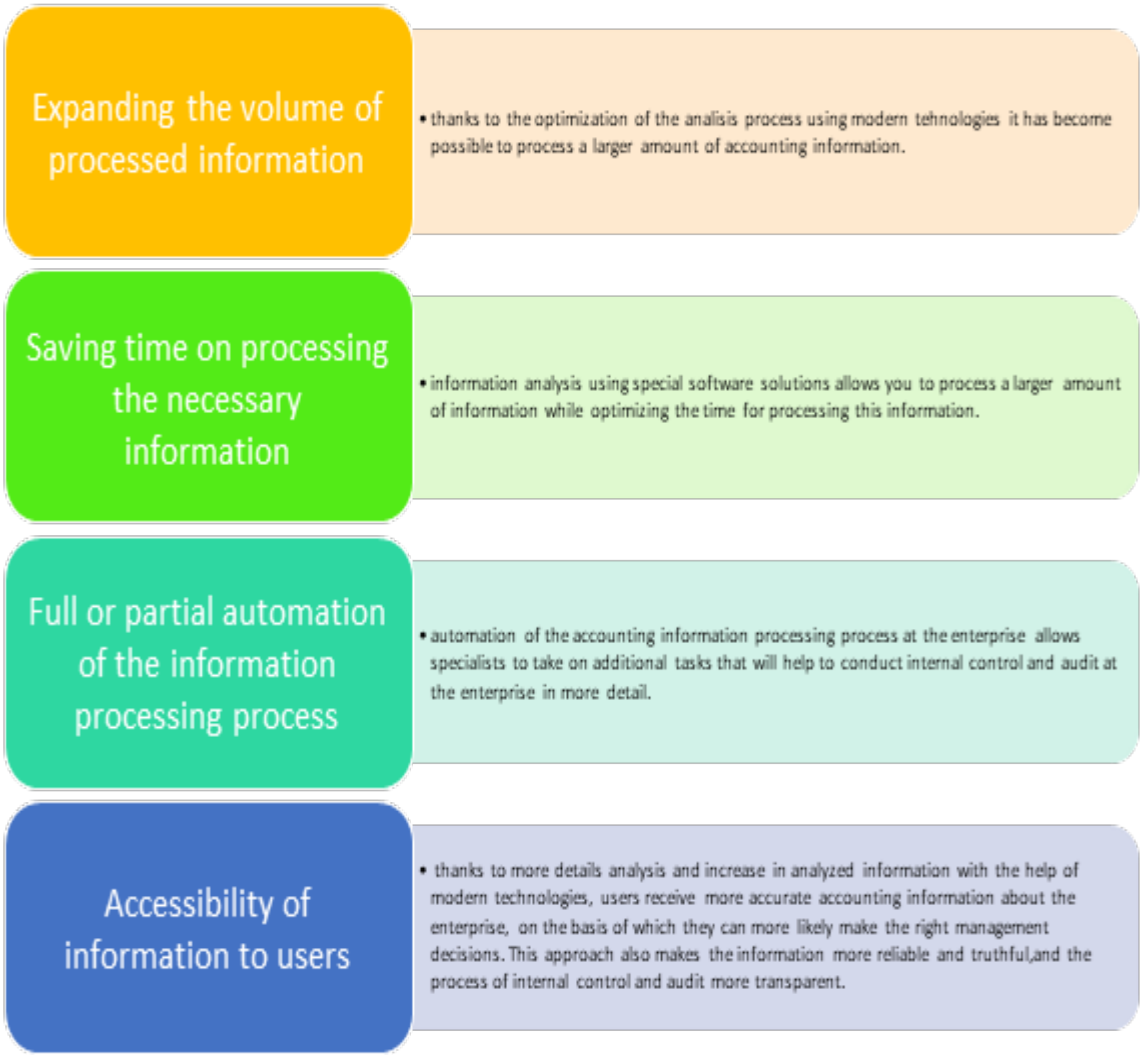


Fig. 2. Positive aspects of the process of digitalization of internal control and audit at the enterprise

Source: summarized by the author

The article analyzed internal control and audit, their interaction with international practice, namely with internal control systems. It also highlighted the issues and ways to solve this issue of digitalization of internal control and audit, which arose in the process of technological development of systems for data analysis and processing. It also considered aspects that indicate to us that the process of digitalization of control and audit is necessary for enterprises for a more accurate process. These aspects also provide an understanding that with the automation of audit and control processes, the information is more detailed and truthful. And the audit process itself becomes more transparent.

In conclusion, we can say that compared to the negative aspects of digitalization of internal control and audit at the enterprise, which can be solved with the help of international experience, the positive aspects are more significant. because they help auditors save time and make their work more qualitative and highly paid.

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