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IMPERATIVES OF AUDITING FINANCIAL STATEMENTS OF AGRO-INDUSTRIAL ENTERPRISES

Summary. *Agro-industrial sector of Ukraine remains strategically important for the national economy, however he constantly encounters new challenges that significantly affect efficiency management enterprises industries. Among such challenges are military actions that violate logistical chains and financial stability agricultural companies, as well as global economic oscillation and amplification competition in world markets. In these conditions increases the significance of financial audit reporting as effective tool software transparency, control and trust in agrarian business from investors, partners and the state.*

In the article revealed key financial audit imperatives reporting agro-industrial enterprises, among which is a necessity reinforced attention to the risks inherent agricultural sector, and adaptation audit procedures to new ones realities. The author analyzes how digitalization, automation and the use of the newest technologies change approach to verification financial indicators and assessments assets that have specific nature in rural farm. Separately attention given challenges that arise in conditions martial law, which creates additional risks to reliability and completeness financial information.

In addition, in the article highlighted international experience organization of audit in agriculture field where leading countries are actively implementing innovative approaches to management risks and financial control reporting enterprises agricultural sector. Emphasis is placed on the fact that exactly qualitative audit allows agricultural enterprises to be more resistant to economic shocks and provides better preparation for engagement investments.

In practical part proposed specific ways to improve audit procedures, including application modern IT tools for analysis financial data, more deep assessment risks and preparation recommendations for management agricultural enterprises of proper organizations financial reporting. The importance of cooperation between auditors and management personnel of agricultural companies to increase qualities financial control and provision stable development business.

Results research can be useful for both auditors who working in the agribusiness industry, as well as for owners and managers agricultural enterprises that strive to increase financial transparency and sustainability their own companies in conditions modern calls.

Key words: *agro-industrial enterprise, financial audit reporting, risks, agricultural sector, management, digitalization, audit procedures, stability business.*

Agro-industrial complex of Ukraine traditionally a pillar of national economy and plays a role a key role in ensuring food security as inside countries, as well as in international markets. However modern realities functioning of agribusiness much complicated by the combination of external and internal factors [1, p. 2]. Armed conflict in the territory Ukraine, permanent changes in legislation, fluctuations world product prices rural economy and aggravation global economic risks posed by agricultural enterprises face a number of critical challenges. In the conditions such instability the need for effective mechanisms

financial control and provision transparency business. It is the audit of the financial reporting becomes not only mandatory procedure, but also important tool strategic management risks and increase trust in businesses agricultural sector [1, p. 5].

Feature agricultural companies lies in the specificity their activities: seasonality production cycles, dependency from natural and climatic conditions, high volatility product prices, as well as necessity management biological assets and agricultural inventories products. All these factors create additional difficulties for auditors during inspection financial reporting agricultural enterprises. In addition, martial law significantly affected the physical condition of the assets, compliance terms implementation contractual liabilities, financial discipline and stability of the agrarian business as a whole. This requires from auditors new approaches to assessment risks and developments verification methods adapted to the realities [2, p. 8].

Today, an audit in the agricultural sector industries gradually is transforming under influence digitalization and automation, which allows optimize volume and quality audit procedures, reduce time spent on collection and analysis information, use analytical tools for detection atypical operations and risks fraud. Many countries agro-industrial enterprises are already actively implementing electronic document flow, automated systems accounting and management, which also changes approaches to the audit [2, p. 13].

Research financial audit imperatives reporting agricultural enterprises in modern conditions is relevant not only for improving inspection practices domestic companies, but also to borrow positive international experience. Given the strategic importance of the agricultural sector for Ukraine, a qualitative audit allows enterprises to be more ready for the unexpected economic challenges, strengthen your positions in domestic and foreign markets, as well as raise trust from creditors, investors and regulators organs [2, p. 14].

The purpose of this the work is highlighting main directions improvement audit procedures in the field agro-industrial production, analysis modern trends development of audit in the agricultural sector and the formation of practical recommendations for auditors and managers agricultural companies.

In modern times understanding, audit means verification and confirmation financial reporting an expert in the field accounting, now known as an auditor. The main purpose is to ensure the accuracy, legality and completeness of accounting data and financial reporting [3, p. 8]. Auditors carefully analyze documents and reports companies to provide their conformity established standards. Over time, definitions of auditing have changed and evolved. Historical development this one industries led to the emergence different audit approaches and methods. Each new definition reflects improving audit practices. Thus, auditing today is an important compound financial activities that constantly is evolving. Audit is independent audit financial reports and operations companies for confirmation their accuracy and compliance established standards. It is conducted by an auditor who analyzes documents, reports and systems internal control of the company. The purpose of the audit is to identify possible mistakes, fraud or non-compliance legislative requirements. Audit results are provided in the form of audit conclusion that helps shareholders, management and others stakeholders to accept justified solution [3, p. 11].

And the financial side reporting - audit verification service data accounting and indicators financial reporting and consolidated financial reporting legal entity or representative offices foreign subject management for the purpose of expressing the auditor's independent opinion on its compliance in all essential aspects of the requirements provisions (standards) of accounting, international standards financial reporting or other rules [3, p. 14].

The legal basis for conducting an audit aimed at creating a system of independent financial control in order to protect the interests of the owner is determined by: the Law of Ukraine "On Auditing Activities" (hereinafter referred

to as the Law), the National Audit Standards, the Code of Professional Ethics of Auditors of Ukraine, other legislative and regulatory acts of Ukraine. The provisions of the Law are valid on the territory of Ukraine and apply to all economic entities regardless of the forms of ownership and types of activity. In cases where an international treaty to which Ukraine is a party establishes rules other than those contained in the Law, the rules of the international treaty shall apply [4, p. 4].

Ukraine's transition to market relations necessitates the creation of economic institutions that regulate the relationships between various business entities. The leading place in this process should be taken by the auditing institution. This is especially important for agriculture, where fundamental changes have occurred.

The situation in agriculture requires such an organization of independent control that would contribute to the validity of management decisions based on taking into account identified violations in accounting, financial and tax reporting [4, p. 9].

In this regard, the audit of agricultural enterprises should be organized and conducted according to such methodological approaches that ensure reliable verification of the compliance of the reflection in the accounting registers and reporting of fixed assets, animals, seeds and feed, mineral fertilizers, pesticides, fuel and lubricants, spare parts, raw materials and other materials available in the farm for the period of the audit, as well as their receipt and disposal, the timeliness and reliability of the reflection of settlements with suppliers for purchased stocks or services provided (work performed), as well as for the payment of loans and taxes; the correctness of the reflection of production costs, the full accounting of manufactured products, the reliability of its calculation and assessment during processing and sale; determination of financial results; the correctness of the application of sales prices, discounts and mark-ups to them, the preparation of accurate, complete and timely reporting in accounting and reporting of economic

facts, obtain evidence to confirm it and convey this truth through an audit opinion to information users [5, p. 1].

The development of market relations has become a prerequisite for the growing need for auditing agricultural enterprises.

Conducting an audit in agricultural enterprises has its own characteristics, which are associated with the specifics of the organization of production, technological processes, accounting and taxation in this industry. The agricultural sector has a number of characteristic features that directly affect both the organization of the activities of enterprises and the methods of conducting an audit. Among them [5, p. 12]:

- specific legal status of agricultural enterprises and associations, as well as the peculiarities of the financial structure of the agribusiness;
- the presence in the accounting of objects that are not present in other industries (young animals and animals for fattening, perennial plantings, formation of the main herd, etc.);
- cost accounting and cost calculation in crop and livestock production, taking into account the impact of biological cycles;
- specifics of tax breaks and subsidies in the agricultural sector;
- special procedure for accounting for the processing of agricultural products on the terms of toll-based raw materials;
- issues of privatization and intra-farm land and property relations.

Because of these features, the auditor's tasks also become more specific.

Accounting at agricultural enterprises is conducted partly according to the journal-order system, partly according to the memorial -order system. Specific accounting registers, primary documents, and planning and regulatory documentation are used here.

During an audit, sources of information include not only primary documents, but also process maps, estimate documentation, cost calculations, etc [6, p. 10].

The auditor pays special attention to checking cash transactions - compliance with the cash balance limit set by the enterprise, the correctness of cash spending, and the timeliness of their transfer to the bank. For example, for farms that are exclusively engaged in the production and sale of agricultural products, such a limit is not set at all.

The auditor also controls the procedure for paying salaries - farms must receive funds for wages exclusively through bank cash desks. At the same time, enterprises have the right to store cash received for salaries and material assistance for up to five business days [6, p. 11].

When checking livestock accounting, the auditor analyzes primary documents and accounting registers - animal movement books, farm reports, information on the movement of the main herd, etc. Particular attention is paid to the reconciliation of data on the movement of animals by sex and age groups, the number of feeding days, debit and credit turnovers on the account "Animals for breeding and fattening" [7, p. 5].

The auditor also checks the correctness of budget settlements, taking into account the benefits provided for by law for the agricultural sector: special rates for water fees, benefits for land fees, value-added tax, etc. For example, agricultural producers may not pay land tax for plots under young orchards until they begin to bear fruit [7, p. 10].

Regarding VAT, the auditor takes into account special conditions: for example, the provision of services for the repair of social facilities in rural areas or the transfer of products to individuals - owners of land shares, within the limits established by law, are not taxed.

The auditor also draws attention to the specifics of wage payment in the agricultural sector, where payment in products may be practiced. This allows enterprises to take into account local characteristics and customs.

In general, the audit of agricultural enterprises requires a comprehensive approach and consideration of industry nuances – from technological processes to the specifics of accounting and tax accounting [8, p. 3].

In order to achieve the goal of the profession of an independent auditor - ensuring a high professional level of services to achieve maximum work efficiency aimed at meeting the needs of Ukrainian society - he is obliged to adhere to the basic principles of auditing.

Auditing the financial statements of agro-industrial enterprises is not just a standard check of the numbers on the balance sheet or income statement. It is a complex process that has its own priorities and characteristics, dictated by both the specifics of the industry itself and the economic conditions in which it operates [9, p. 5].

First of all, it is important to remember that the agricultural sector is seasonal. This means that income and expenses do not occur evenly throughout the year, but in waves - in accordance with the cycles of sowing, growing and harvesting. For the auditor, this is a signal: financial statements need to be analyzed taking into account seasonal fluctuations and business cycles.

Another important aspect is the presence of a large number of biological assets in enterprises. For example, during the audit process, it is important to check not only the correctness of their valuation, but also the enterprise's compliance with the principles of accounting for such assets at fair value. In the case when the enterprise is unable to determine the fair value, accounting at cost, taking into account depreciation, is possible. But is this applied correctly? Is there confirmation in the form of primary documents and calculations? These are the questions that the auditor asks himself [9, p. 10].

Another imperative of an audit in the agricultural sector is to verify subsidies, grants, and other types of government support received by enterprises. The auditor must verify whether the enterprise correctly reflects these funds in its

financial statements, whether they meet the criteria for income or liabilities, and whether the procedure for their intended use has not been violated.

An equally important task is to assess the risks inherent in agriculture. For example, this concerns the dependence of business on weather conditions, fluctuations in prices for agricultural products and resources, as well as the impact of military operations on the stability of enterprises' operational activities.

Modern auditing in the agricultural sector cannot ignore the issues of environmental standards and sustainable development. Many agricultural enterprises today are faced with requirements for compliance with environmental standards, especially if they cooperate with foreign partners. The auditor should pay attention to the presence of appropriate expenses and reserves in the reporting related to possible environmental liabilities [10, p. 1].

Thus, the imperatives of auditing agro-industrial enterprises are, first of all, a guide to the peculiarities of agricultural business, an understanding of its risks and the specifics of accounting. The auditor here does not simply check the "correctness of the numbers", but also assesses the stability of the enterprise in conditions of instability and the ability to adapt to changes in the external environment.

In recent years, the agricultural sector has been going through a period of significant changes, and auditing as an element of control and support for business transparency is also transforming. Now the auditor no longer just checks documents - he must be focused on modern challenges and be able to work in conditions where risks and instability have become commonplace [10, p. 3].

The automation of accounting processes and the introduction of digital technologies have significantly changed the approach to auditing. Today, agricultural companies are actively using ERP systems, cloud services for accounting, and electronic document management. This significantly facilitates auditors' access to information and allows them to analyze financial data faster and more accurately. At the same time, digitalization creates new risks - for

example, cyber threats or errors in automated systems that may be invisible at first glance. Therefore, a modern auditor must have not only accounting knowledge, but also be familiar with digital platforms and IT security.

Auditing in the agricultural sector today is unimaginable without taking into account the realities of martial law. Some enterprises are faced with temporary occupation of territories, suspension or reduction of activities, loss of property. Auditors should also pay attention to innovations in tax and financial legislation, which often change in wartime. Added to this is the influence of global factors, such as inflation, rising prices for fertilizers, fuel, and logistics. In such conditions, audit becomes a tool not only for checking the correctness of reporting, but also for assessing the ability of the enterprise to survive and develop in an unstable environment [11, p. 3].

World practice shows that the agricultural sector in different countries faces similar challenges. For example, in the EU, great attention is paid to compliance with the principles of sustainable development and environmental standards. Auditors abroad are increasingly including in their audits an assessment of ESG factors (environmental, social and governance aspects). The direction of agricultural forensic analysis is also developing - the search and prevention of fraud and corruption in large agricultural corporations. For Ukraine, this experience can become a useful guide, especially for enterprises that are export-oriented and cooperate with foreign partners [11, p. 2].

Among the priority tasks is in-depth analysis of financial reporting, taking into account seasonality and the specifics of agricultural activity. Auditors should pay more attention to the procedure for assessing biological assets and forming reserves in case of force majeure. It is also advisable to use modern tools for monitoring risks and implement new audit methodologies that take into account the digital transformation of the agricultural sector.

For risk management, it is useful to use tools such as a risk-based approach to auditing, analysis of supply chains and counterparties, as well as stress testing

of the financial stability of the enterprise. In war conditions, analysis of operational risks related to logistics and product supply, as well as verification of the availability of insurance for the enterprise's property and assets, are especially relevant.

Managers should prepare for the audit in advance: ensure high-quality record-keeping, timely update internal regulations, policies for accounting for bioassets and other specific items. It is also important to organize internal control and implement a risk management system to minimize possible remarks from auditors.

Therefore, a modern audit in the agribusiness sector is no longer just a formal check of numbers. It is a tool that allows agribusinesses to obtain an objective assessment of their resilience, ability to withstand risks, and adapt to new realities.

A quality audit enables owners and managers to make informed decisions, attract investments, and confidently navigate an unstable economic environment. In the context of martial law, digitalization, and global challenges, this process becomes even more important for the sustainable development of agricultural enterprises.

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