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INTERNAL AUDIT AS A TOOL TO INCREASE THE EFFICIENCY OF THE ENTERPRISE FUNCTIONING

In the conditions of constant economic and informational changes, the competitiveness and effectiveness of enterprises depends on an established management system. And for owners and investors, control over the activities of the enterprise, compliance with laws, regulations and full and reliable financial statements are especially important. In order to achieve a transparent relationship between managers and owners, enterprises create an internal audit service.

Internal audit is an independent objective activity to assess, analyze and control the activities of the enterprise as a whole and separately for units in order to improve management efficiency and improve the functioning of the enterprise, as well as checking the completeness and reliability of the prepared financial statements. The work of the internal audit service is independent of management and subordinate to the owners of the enterprise. Therefore, one of the tasks of the internal audit is to analyze the activities of management personnel and provide opinions to the owners as to how their actions and decisions positively or negatively affect the results of transactions and the potential of the enterprise. It is important when creating an internal audit service that the decision of the owners decides the need of the company, it depends on: the size and degree of branching of the organizational structure; the level of risks inherent in the company, the volume of business processes. The larger the enterprise, the more economically feasible it is to create an independent internal audit service that will reduce the risks of material misstatement, errors, fraud and more reliably and timely conduct an analysis of financial results. The organization of internal audit can take various forms: the creation of an independent internal audit service directly at the enterprise, the use of outsourcing services or the use of co-services.

The internal audit service is one of the tools to improve the efficiency of the enterprise, to increase competitiveness and reduce the impact of external and internal risks on the potential of the enterprise.

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