

## ACCOUNTING, ANALYSIS AND AUDIT

**PRODUCTION STOCKS: BASIS OF ACCOUNTING  
AND METHODOLOGICAL PRINCIPLES OF AUDITING****Artemenko N.V.**Lecturer Department of Economic Analysis and Accounting,  
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For realization of industrial and economic activity by the enterprises of Ukraine all forms of ownership and branches of economy are used production stocks, which are the most important and significant part of the assets of the enterprise.

Production stocks represent a significant part of the assets, resources of the enterprise, they occupy a special place in the property and dominant positions in the structure of expenses of enterprises of different spheres of activity; in determining the results of the economic activity of the enterprise and when disclosing information about its financial condition. The rational use of inventories has the potential to increase the efficiency of production. The formation of reliable information on the availability and movement of inventories and the correct accounting of their value ensures the reliability of financial reporting. Acting as an independent control, auditing is a set of methods that are aimed at conducting independent audits of accounting. An audit is a source of reliable information, without which it is impossible to effectively manage inventories. Therefore, the issue of improving the accounting and auditing of inventories in accordance with the requirements of the transformational economy and international accounting and auditing standards are relevant and require research.

Production stocks are an integral part of an enterprise's assets. They have a significant effect on the financial results of economic activity, since they occupy the largest share in the cost of the enterprise of most sectors of

production in various fields of activity. Ensuring the continuity, continuity and rhythm of the enterprise's economic activity guarantees its economic security. Therefore, rational use of stocks is one of the most important factors in the development of the economy, which in turn leads to an increase in the volume of production and profits of enterprises.

The correctness of accounting and organization of the production stocks audit depends on the reliability of the data about the profit received by the enterprise and the preservation of the stocks themselves.

Audit of production stocks is an important part of the inspection at the enterprise. The stock audit is intended to monitor compliance with applicable legislation on operations with inventories, to establish the completeness and correctness of the production stocks accounting records, to establish the correct recognition of assets in inventories in accordance with Standard (Accounting Standard) 9 "Stocks", to investigate the status production stocks storage, check compliance with selected accounting methods of production stocks, which are specified in the order on accounting policy. It is the audit of production stocks that ensures the verification of the production stocks records for reliability in all material aspects and compliance with the requirements of the laws of Ukraine and other regulatory acts. Accounting provides for the display of operations with production production stocks, and the audit confirms their authenticity, legality and completeness of reflection.