

## **Application features of the international standards on auditing in the audit of credit unions' financial statements**

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The decline in confidence to banking financial institutions in conditions of the financial instability has led to the increased popularity of credit unions. The main reasons for the popularity of credit unions as compared to banks have been described. Founded, that the lack of strict regulation of their activities, compared to banks, requires intensification and effectiveness of the independent audit as a tool of ensuring the transparency of financial institutions activity in the market environment.

The article describes the features of the application of International Standards on Auditing in the auditing of financial statements of credit unions to increase quality of auditing services and forming an audit opinion on the reliability of financial statements of credit unions that will meet the information needs of potential investors and creditors of these institutions.

The Chart of audit risk behavior in the preparation of the questionnaire on the credit union activity environment has been developed. It allows auditor to pay special attention to formation of an adequate understanding of the credit union activity environment and to identify the audit procedures for obtaining sufficient and appropriate audit evidence.

The existence of legal restrictions of credit unions economic activity causes a small range of studied by the auditor transactions. However, their difficult legal status determines the existence of specific risk areas of the audit, which leads to appropriateness of audit sampling based on the results of credit unions business environment test. Identified audit procedures (provided ISA) on methodological stage of auditing, have been structured by the main issues of the audit of credit unions financial statements according to their specific activities.