

Audit of current liabilities

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In the current conditions of economic management and auditing according to the International standards the questions occur about the reliability of accounting information. The task of the audit is the assessment of information, which is provided in the accounting records, and providing the audit conclusions.

Audit of the current liabilities is one of the areas of audit, which is aimed at assessing the accounting system and detecting the fraud and error.

Current liabilities are also those obligations, which must be repaid in the normal course of the operating cycle of the enterprise, or must be repaid during 12 months from the balance sheet date.

Audit of the current liabilities involves checking a compliance with the accuracy of recording methodological principles of the formation of information on current debt enterprises to other enterprises and organizations, and disclosure the information in the financial statements.

The main stages of current liabilities' audit are: preparatory, audit planning, obtaining audit evidence and formation of conclusions of the auditor.

Audit procedures for the verification of accounts payable for goods and services are to determine by the financial statements a caption limit of materiality; to establish what amounts are reflected in the financial statements and to examine primary documents and contracts, resulting in which they arose; the total number of documents and paying the amount received in advance form sampling; by request and confirmation to verify the reality of counterparties and the balance; using repeated procedures to determine the result of operations and the need to reflect it in the financial statements.

Selection of object, subject, information sources, audit procedures, and synthesis of the results enable the auditor to focus on key points of the audit of current liabilities and is the basis for the development of methods for auditing other types of current liabilities.