INTERNAL AUDIT
AS A MEANS OF IMPROVING ACCOUNTING
AND CONTROL OF RECEIVABLES

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Under the existent in our country non-pay-
ment crisis when the receivables are enor-
mous, its internal audit has great relevance
because it encourages to a more thorough
and regular inventory of such a debt and to
active recovery of debts from defaulters in
proper time.

Internal audit examines statements,
accounts receivable and provides objective
advice aimed at improving the organization,
determines the direction of future develop-
ment of an enterprise, and thus has a major
impact on management decisions to achieve
specific goals.

Internal audit of current receivables rec-
ommended the company to make the follow-
ing steps:

The first stage. Planning of audit of cur-
rent receivables, which includes the devel-
opment of two documents: the overall audit
plan; audit program; determining goals and
objectives of the audit.

The second stage – the actual revision.
Audit of current receivables starts from its
inventory.

The third stage – the main stage of inter-
nal audit – is the implementation of audit pro-
cedures by audit program, which is a quality
control audit of accounts receivable.

The fourth stage – the analytical proce-
dure. After checking the current status of
receivables on the qualitative aspects state-
ments financial statements (existence, rights
and obligations, availability, completeness,
valuation, measurement, presentation and
disclosure) internal auditor should conduct
analytical procedures.

The fifth stage – final. Based on audit evi-
cence sufficient internal auditor analyzes
revealed violations, the results of analytical
procedures, notify the management, deci-
sions to eliminate violations agreement or dis-
agreement with the identified violations, the
methods used to prevent issues in the future.

These conceptual frameworks of inter-
nal audit of accounts receivable provided
a logical sequence of steps and content of
the audit. The main indicators of the state,
dynamics and quality of current receivables
are systematized.