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THE NATURE AND SPECIFIC CHARACTERISTICS OF A STATUTORY AUDIT AS A SOCIALLY SIGNIFICANT ACTIVITY

The necessity to perform a statutory audit arises if the state wants to protect information rights and legitimate interests of the group in obtaining reliable information about the activities of individual entities. In other words the state carries out the function of regulating the production and distribution of informational products which are essential for the development of a society. This creates more or less equal opportunities in the consumption of information products because the interests of the society require much of the information to be available, so the state should create the mechanism to ensure access to information. Thus, a statutory audit should be considered as a public good and its functions go up to a higher level, since the state considers the obligation to reduce the information risk primarily as its own, and not as the responsibility of a shareholder. The following specific characteristics of a statutory audit can be distinguished:

1. An important social role of the statutory audit is the formation of an opinion on the degree of reliability of the information published about the financial condition of the enterprise which in its turn is officially made public in order to provide an opportunity to study it by an unlimited number of people.

2. Although the choice of the auditing firm and payment for the services are carried out on a commercial basis within the framework of a civil law contract, in its purposes, tasks and functions, statutory audit is carried out in the interests of a wide number of people and the state, that is, in public interests.

3. The auditing firm (auditor) performing a statutory audit in accordance with the requirements of the law, in fact performs a public function, since it is no longer private, but public interest is the basis of this mechanism. Accordingly, the relations arising in the process of statutory audit, to a large extent, have public and legal nature.

4. The specific nature of statutory audit as a public service consists of more complex quadrilateral relations that arise in the process of its implementation, which involve: first, the enterprise is a subject of public (public) interest; second, the auditing firm; third, real shareholders,

investors, creditors; fourth, an unlimited number of others who can in fact be seen as potential shareholders, investors, creditors, etc.

5. An auditing firm that performs a statutory audit acts officially in accordance with the authorities delegated to it by the state, and the state takes the responsibility to organize such services and monitor their quality.

6. The performance of a statutory audit does not envisage the initiative of the entity to be audited but is its public-legal responsibility. This act is carried out in most cases "under compulsion" but the entity makes certain efforts to perform it (to receive this public service), because these actions precede the onset of the necessary legal relations.

7. An auditing firm performing statutory audit engagement signs an agreement on the performance of an audit within the framework of civil law; however, the entity (legal or natural person) has a special status, as it is created specifically and exclusively for auditing and can not take other entrepreneurial activity.

8. The auditor's report which is compiled based on the results of the audit is included in the public (officially promulgated) annual financial statements as an obligatory element. The financial statements can not be accepted without auditor's report and its users can not view it as reliable.

9. Recognizing the specificity of statutory audit as public service it is important to ensure not only the mechanism of the audit but also the mechanism of appropriate publication of its results.

10. Taking into account the openness (publicity) of the auditor's report, the auditor should be responsible to third parties whom he knows or may not know when making a statutory audit because they can make a decision based entirely or partially on this report. That requires an increased attention to the legal responsibility to the third-party, which has no unequivocal solution in the world yet.

11. Taking into account that the statutory audit is aimed at protecting public interests the legislative and regulatory documents may (and should) establish special requirements for the activities of those auditors who perform statutory audit.

12. Since the auditor forms his opinion on the reliability of financial reporting to ensure the implementation of public (social) interests, he may have professional duty and the right that not fully adhere to such a fundamental principle as confidentiality. The situation may arise in connection with the need to disclose information to authorities that regulate activities of entities of public (social) interests.

13. An enterprise which is the subject to statutory audit should in any case receive such services, therefore, to ensure their proper quality,

minimum requirements should be established for the organization of their performance.

The relations arising in the course of a statutory audit have to a large extent public and legal character and act as a tool to reduce or prevent a conflict of interests. Although the choice of the auditing organization and payment of the services are carried out on a commercial basis within the framework of a civil law contract, by its objectives, purpose and functions a statutory audit is performed in the interests of a certain group of people that can not be determined in advance and the state. Statutory audit should be considered as a public service based on public (social) interest that is a socially significant activity regulated by the law, which in turn needs additional requirements for the activities of such subjects of auditing activity and the content of statutory audits. Taking into account the entities involved in the functioning of the mechanism of statutory audit it should be viewed as a public service in two aspects. For the enterprise itself (the subject of public interest) carrying out a public service is an act that is carried out in most cases "under compulsion" but the enterprise makes certain efforts to obtain it since such acts precede the onset of the necessary legal relationships. For many legal entities and individuals the existence of a statutory audit and the possibility to study auditors' is a public service in a "pure form".

It is necessary to understand and use all the advantages of auditing activity from the point of view of its social benefit in the system of social and economic relations. Despite the difficulties that arise while performing a statutory audit it is difficult to deny the need for its application. Sometimes only a joint agreement can ensure the coincidence of private and public interests and to provide the necessary level of social utility which is completely true of the statutory audit.

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MODEL OF BUSINESS PERFECTION SUBJECT OF ECONOMY

The EFQM Excellence Model (EFQM Business Excellence Model), proposed for implementation by the European Quality Management Fund, comprehensively characterizes the perfect (perfect) business entity established through a nine-criteria evaluation process: leadership; personnel; strategies (policies); partnerships and resources; processes,