

**СЕКЦІЯ 5. ОБЛІК, АНАЛІЗ, АУДИТ, ОПОДАТКУВАННЯ
ТА ФІНАНСОВИЙ МОНІТОРИНГ:
ПРОБЛЕМИ СЬОГОДЕННЯ ТА ШЛЯХИ ЇХ ВИРІШЕННЯ**

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**ORGANIZATION OF INTERNAL AUDIT
IN THE CONDITIONS OF MARTIAL LAW**

Internal audit can be one of the most effective tools that allow you to identify opportunities for improving business efficiency, therefore, one of the company's competitive advantages. Owners and users of information hope to receive from internal auditors recommendations for making economic decisions, business expertise, competent consultation on various issues and comprehensive information about the real viability of the company. Therefore, the concept of the development of internal audit must be connected with the prospects of the companies' business development. Internal audit should have a preventive, predictive nature, aimed at identifying a possible business risk [1, p. 174]. Such risks can certainly arise during the period of martial law in force in Ukraine.

The conducted study of the organization of internal audits at trade enterprises during hostilities shows that the military invasion of Russia on the territory of Ukraine contributed to a sharp decrease in the economic activity of trade enterprises and, accordingly, to a decrease in the business activity of internal audit subjects, which led to the adoption of effective measures with their support from state control bodies.

During the study of the organization of the information and analytical service for the management of the activities of trade enterprises in the conditions of martial

law, we came to the conclusion that internal audit is at the forefront of protecting the interests of internal users of accounting information in a broad business sense. Internal auditors are employees of trade enterprises and are supervised by management. Normative legal acts on internal audit issues do not establish restrictions on remote (in camera) internal audits, as well as other necessary management decisions that would ensure the operation of the internal audit unit under martial law conditions. Therefore, the head of the internal audit unit, taking into account the current conditions caused by the state of war, should review the internal documents on internal audit issues and, if necessary, prepare appropriate changes to them, taking into account the peculiarities of the enterprise's activities.

In addition, it is advisable for the head of the internal audit unit to consider the possibility of conducting internal audits (in particular, remote or in-room audits) if there is access to documents, information and databases necessary for conducting internal audits.

In the event that a decision is made by the head of the enterprise to involve the head and/or employees of the internal audit unit in consulting activities, it is necessary to take measures to limit the negative impact on their independence and objectivity, as well as take into account the qualification capacity of the internal audit unit and possible influence for direct internal audits.

The war in Ukraine imposes significant restrictions on the functioning of the internal audit, because the issue of the physical safety of employees has come to the fore. At the time of the introduction of martial law, specialists of internal audit services were able to establish remote work. They have access to scanned or electronic documents stored in the cloud or on remote servers, and physical verification can be carried out using surveillance cameras or even the camera on the smartphone of an employee who is in a certain location [2]. Serhii Kasatkin also emphasizes that "the long-term consequences of the war for the profession have yet to be assessed. But certain trends are already evident: reduction of staff of internal audit services; reduction of budgets; review of work plans; transition from the third line of defense to the second" [2].

Demyanenko T. in turn, it is not the fact that the Institute of Internal Auditors of Ukraine defined the "Three Lines of Protection" model, according to which internal audit is the 3rd line of protection. There is a certain review of the functionality of the internal audit services. In some cases, customers do not currently have independent assurances that processes and systems are functioning properly, provided by internal audit, as a third line of defense. Economy measures also hit the second line control units, so the internal audit is forced to correct deficiencies in the internal control system, taking over certain functions of the second line of defense, in particular control units, and sometimes even the first line of defense, in particular line management. However, it is very important to maintain your independence. The remote format of work for most internal audit departments, which has become common during the current restrictions, is becoming the only possible option. More than ever, internal audit depends on available technologies and IT tools [3, p. 192].

Thus, the wartime state of audit activity will definitely affect the work of the internal audit service, its main vector will change, but in any case, internal audit will remain the driver of changes, performing its usual roles.

References

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