

СЕКЦІЯ 3

ОРГАНІЗАЦІЙНО-МЕТОДИЧНІ АСПЕКТИ АУДИТУ ТА КОНТРОЛЮ ЯКОСТІ АУДИТОРСЬКИХ ПОСЛУГ

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R. Vazov, PhD, Assoc. Prof. (*UFBE, Sophia, Republic of Bulgaria*)

T. Yevlash, PhD, Assoc. Prof. (*KhSUFTT, Kharkiv*)

O. Hovoruha, PhD (*KhSUFTT, Kharkiv*)

QUALITY AUDIT OF OUTSOURCING SERVICES

It is well known that outsourcing an entity to its non-core functions such as accounting, leads to better enterprise's management. However, the risks that outsourcing businesses encounter require greater control through audits.

Since outsourcing's primary purpose is to outsource its non-core functions on a contractual basis to other specialized companies with highly qualified specialists, the primary consideration of the auditor is to provide the manager with the assurance that the use of this form of accounting provides the purpose of the accounting process - gives users the right to make informed decisions the financial position, results of operations and enterprise's cash flow.

The next step for the auditor is to study the outsourcing contract, including its substantive workload. In this case, the object of the audit evaluation is not only the organization of the process, but also the allocation of responsibilities of outsourcing participants for the consequences of reporting information flows.

In particular, when evaluating the objectivity of reporting and the effectiveness of the entity's management, auditors consider the use of outsourcing as an accounting function as an increased risk.

Auditors also pay great attention to assessing the quality of the services they provide, including the organization of tax calculations and tax reporting. Because, when outsourcing accounting services, the outsourcing company predominantly has a passive role in this process. First of all, this is due to the absence of legal provisions regarding the possibility of these companies to act as legal representatives in resolving tax disputes.

Auditors note the quality of accounting operations as a risk factor in outsourcing. Despite the declaration of highly qualified specialists in the contract, the auditors often find cases of misrepresentation of transactions in analytical accounting, omission of information from primary documents, its duplication, incompleteness or other inaccuracies.

The types of risks that accompany outsourcing of enterprise accounting are shown in Fig. 1.

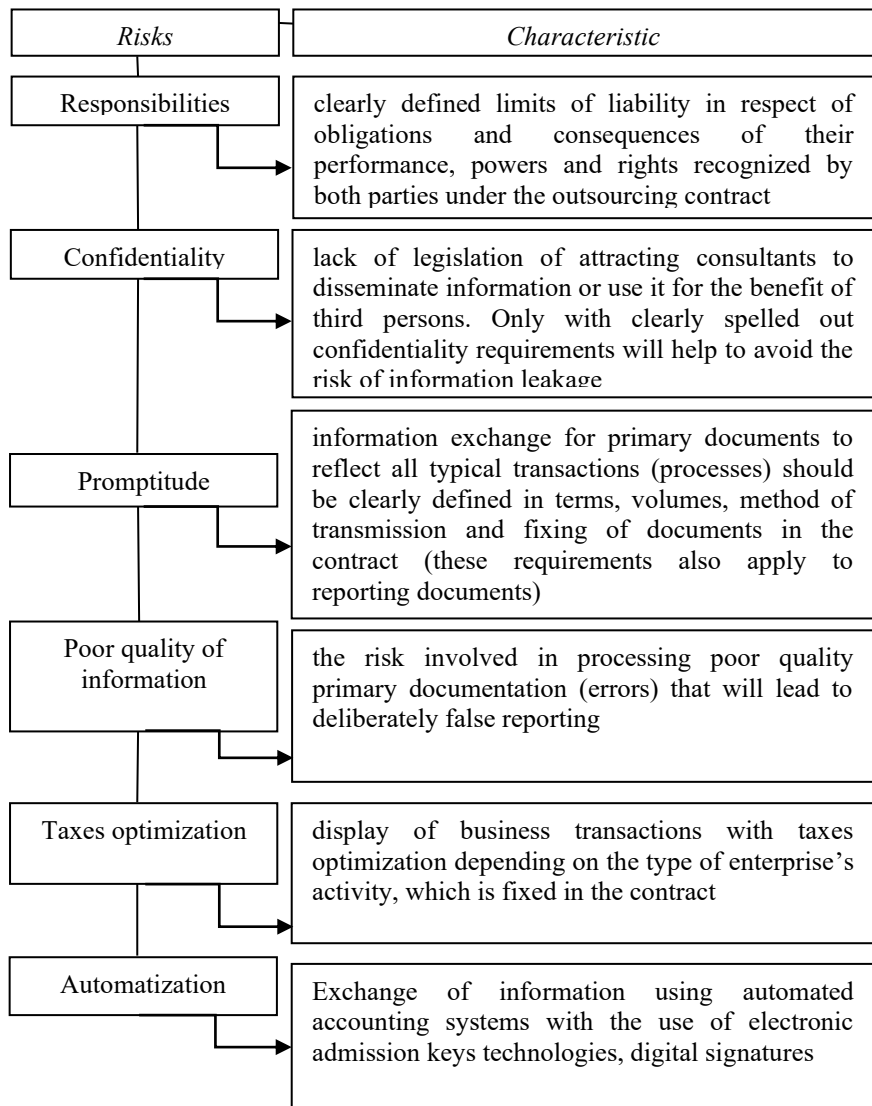


Figure 1 – Risks of accounting outsourcing for the formation of audit risk assessment

The above risks of an entity that has chosen outsourced accounting and reporting services are indicative of the need for ongoing monitoring of the services quality provided independently and/or through involvement of third-party organizations (audit firms). Moreover, control by the customer should be thorough and periodic, preferably in the monitoring form. The results of such monitoring will allow the identification of deviations, so-called risk zones, and their absence. In particular, the latter will be the basis for the transfer of control from periodic to selective.

How and in what form to respond to risks, given the assessment of the probability and impact of the risk; the costs associated with the risk responding, compared with the benefits of reducing it, the management makes the decision on its own.

Thus, auditors, evaluating the accounting quality at an enterprise through outsourcing, should proceed from the assertion that, under the current economic conditions, it is one of the most effective business management strategies, which ensures optimized functioning of the business by determining the activities priority. However, using of outsourcing services involves several risks that are subject to audit when determining the reliability of accounting information for an entity that uses accounting outsourcing.

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