



UDC 657.6

METHODOLOGY FOR CAPITAL INVESTMENTS AUDIT

Stud. K. A. Shchur, gr. BOA-15
Scientific supervisor PhD. N. Y. Radionova
Kyiv National University of Technology and Design

Purpose and objectives. The main objective of this study is to improve the methodological approaches to the organization and methodology for conducting a capital investment audit. The main tasks are generalization of the basic regularities of the audit of capital investments, the definition of an effective method for obtaining audit evidence for drawing up a substantiated audit report based on the results of the audit.

Object and subject of research. The object of the study is the process of auditing capital investment. The subject of the study is the selection of an effective methodology for auditing capital investment.

Research results. At the present stage, with the complexity of crisis economic processes and the relations between enterprises, financial institutions, states on the domestic and foreign markets, the acute problem is the effective use of capital investments. It is important for domestic and foreign investors to obtain a document confirming the appropriateness of investing [1]. Therefore, the audit of capital investment becomes very important. The purpose of the audit of capital investments is the objective collection and evaluation of information about the economic actions of the enterprise in relation to attraction of capital investments and their use; providing an audit report regarding their reliability and compliance with accepted legislation.

The tasks of carrying out verification of the reflection in the accounting of capital investments include [2]:

- analysis of the effectiveness of investment projects;
- monitoring of control of critical proportions of production volumes and project implementation;
- assessment of the availability of capital investment projects by sources of financing;
- analysis of the results of the volume of invested capital and profits from the projected production;
- confirmation of the reality of the financial statements provided.

The subject area of the study covers all information relevant to capital investment, including the one that goes beyond financial accounting and reporting (tax accounting, management reporting on capital investment, analysis, explanation of staff, etc.).

The audit of capital investment involves three stages [3]:

1. initial organizational (preparatory) stage
2. experimental stage
3. final stage.

The selection of the specified stages of the audit of capital investments provides an opportunity to detail the overall audit strategy and determine the sources of its information support.

During the audit of capital investment, each stage of a separate audit phase includes an appropriate list of information provision (table 1).

At the initial organizational stage of the audit of capital investment, the auditor examines the priority of the audit objects, the accounting of capital investment, internal control, determines the size of audit risk, the features of the investment process. Then it determines the price of the



inspection and concludes the contract. Later develops a plan and program for audit of capital investment.

Table 1 – **The sequence of audit of capital investments and their information provision**

Stages	Processes	Sources information
1. Initial organizational (preparatory) stage	Selection of the client and the conclusion of the contract	Mass media, laws and regulations, letters of offer, minutes of meetings with clients, correspondence with the previous auditors, agreement on the audit of capital investments
	Organizational-methodical	Statute, list of founders and legal commitments of the client, management structure of the enterprise, contracts, agreements, contracts, external auditor's report for the previous period, financial statements, documents and registers of accounting, acts of inspections, plan and program of verification
2. Experimental stage	Audit: study, assessment and testing of the internal control system	Protocols of meetings with the client, documents confirming the distribution of rights, responsibilities and responsibilities between employees, internal instructions, internal audit documents, normative and reference provision of audit procedures
	Confirmation of balances on accounting accounts	Financial reporting, registries of accounting, current management documents, primary documents, contracts, contracts, agreements, certificates, letters received from third parties
3. Final stage	Final procedures	Documents, testimony, minutes of discussion of the results of the inspection, expert's conclusions
	Writing an audit report	Final version of the report, auditor's working papers and other audit materials, minutes of meetings with the client, the results of the audit, feedback from the controlling partner

Experimental stage involves carrying out a continuous in spection of capital investments: testing, questioning and questioning, and the application of audit inspection procedures. At the final stage, the auditor summarizes and summarizes the information received and prepares an audit report.

Conclusions. According to the results of the study, it may be noted that the audit of capital investments can be carried out as one of the stages of integrated research and as a special task. The sequence of carrying out the audit of capital investments has an initial organizational, research and final stages. For an effective methodology for auditing capital investment, the auditor needs to gather sufficient evidence at each stage of the audit. This will provide an opportunity to gain confidence and form an appropriate audit report.

Keywords: Audit, capital investments, audit methodology, audit stages, audit evidence.

REFERENCES

1. International Standards on Auditing, Assurance and Ethics / Per. From english O.V. Seleznev, O.L. Olkhovikova, O.V. Hick, T.T. Sharashidze, L.Ya. Yurkivska S.O. Kulikov - K., 2017. - 1172s.
2. Organization and methods of business audit: Teaching. manual / perunitedit O.A. Petryk - K., 2018. - 472s.
3. Radionova N. Y. Audit of the enterprise's own capital: ways to improve organization and methodology / N. J. Radionova, I. M. Guba // ScienceOnline: International Electronic Journal of Journalism - 2017. - №12.