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ИСТОРИЧЕСКИЕ АСПЕКТЫ СТАНДАРТИЗАЦИИ АУДИТА В РОССИИ

HISTORICAL ASPECTS OF AUDIT STANDARDIZATION IN RUSSIA

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В данной статье рассматриваются стадии развития российского бухгалтерского учета, а именно аудиторской деятельности, в системе международных стандартов. Подробно проанализированы этапы становления законодательства в области аудита, также тщательно изучено влияние определенных социально-экономических и исторических факторов на развитие бухгалтерского учета. Исследованы основные факторы, которые влияют на необходимость законодательного регулирования аудиторской деятельности. С помощью раскрытия информации о целесообразности внесения поправок в законодательную базу, были показаны основные направления развития стандартизации аудита в России на различных стадиях его развития. Рассмотрена в динамике система законодательных стандартов в области бухгалтерского учета. Показан международный опыт решения данной проблемы на примере противопоставления стран с различными подходами к развитию нормативно-правовой базы в области аудита. Исследованы практические аспекты применения измененной системы регулирования в области бухгалтерского учета

This article discusses the stages of development of the Russian bookkeeping, namely the audit activity, within international standards. There is a detailed analysis of the stages of formation of audit legislation also careful studies of influence of certain social, economic, and historical factors in the development of the bookkeeping. The key factors of influence to regulate auditing activities by the state are reviewed in the article. The article reveals information about the sense of amending the legislative framework, and main ways of standards development of the auditing in Russia at different stages. The article reviewed legal standards in the field of bookkeeping. There was also presented international experience to solve the problem base on contrasting countries with different approaches to the development of the regulatory legal framework in the field of audit. The article reviewed practical aspects of usage of the modified regulation in bookkeeping

Ключевые слова: АУДИТ, БУХГАЛТЕРСКИЙ УЧЕТ, ЭКОНОМИКА, ПРАВИЛА АУДИТОРСКОЙ ДЕЯТЕЛЬНОСТИ, СТАНДАРТЫ.

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The market of audit changes every day from its very birth. These changes are related to increase of requirements to the quality of the submitted reporting

documents and reliability of financial state of the subjects of economy. Each organization is trying to protect itself from possible mistakes and misrepresentations in the economic indexes which directly influence the financial result of not only the enterprise, but the country's economy as a whole.

In several decades of its development audit in our country has proved itself as a perspective and quickly developing market of professional services. At this stage of its development audit is an independent segment of economy with a rather significant annual turnover [2, p.36].

In the Soviet Union demand in audit services was absent due to economic way of life - there was no free, market economy. Nevertheless, in the beginning of the 90-ies with the development of specific market forms of ownership enterprise and organizations appeared which were independent in making decision in their economic activity. In relation to that a demand arose in a control mechanism for reliability of information disclosed in the reporting documents, which then turned into audit. Under the conditions of unstable market economy meaning of audit increases for economic subjects of the Russian Federation. Such demand in creation of a more powerful audit system is connected with increase of requirements from the part of market economy and restructuring of Russian accounting [1, p. 64].

On all stages of its existence audit activity is closely connected with the huge responsibility and audit risk to the customer and to the state. In the beginning of its origination audit did not have a legislative support, which even more increased the complexity of carrying out and provision of professional estimation of authenticity of reporting documents of enterprises and organizations. But starting with January 1995 legislation limited the circle of persons entitled to engage in audit activity. Since then the check could be carried out only by certified auditors licensed for this activity type.

The need for the audit was due to the following factors:

- the appearance of joint ventures, the financial-economic activity which was monitored by auditing organizations;
- legalization of entrepreneurial activities and private property that led to the need to obtain an independent assessment of property and financial status of the organizations;
- liberalization of foreign trade, permission for attracting foreign investment into the economy;
- the development of the country's financial market, which was accompanied by the adoption of specific legislation and the establishment of normative legal acts of the requirements of the audit;
- the emergence of joint-stock companies, including in the process of privatization of state and municipal property, that determined the necessity of implementation of financial monitoring of their activity;
- the establishment of new rules of conducting accounting and formation of financial statements.

Audit history in Russia has shown that for the formation and further development of the Institute auditing requires the will of the state. Only being sanctioned by the state represented by relevant public authorities, this type of activity gets the right to legal existence. The absence of political will leads to the fact that audit as an independent non-departmental financial control, even if objectively necessary, is not getting "residence permit" in the legislation.

It appears that the periodization of stages of development of audit activities it is advisable to consider from the point of view of law (approval of regulatory legal acts) and its functions. The construction of the law is the result of economic development. The most important public relations are governed by established legal norms contained in regulatory legal acts.

Table 1 – The stages of development of audit in Russia and its characteristics

The stages of development of audit in Russia	Characteristics of the stage
<p><i>The first stage (1987–1993)</i></p>	<p>was characterized, on the one hand, the legislative character of the creation of audit organizations (1987 – creation of the first auditing organizations "Interaudit"), with the other natural character of the origin of auditing activities (training, disordered the issuing of the first certificates and licenses in the period 1990-1993).</p>
<p><i>The second stage (December 1993 before the adoption of the Law on audit activity – August 2001)</i></p>	<p>can be characterized as the period of formation of the Russian audit, during which a great role was played by the Provisional rules and first rules (standards) of auditing in the Russian Federation, developed by the Central attestation and licensing audit Commission of the Ministry of Finance of Russia was developed and approved 37 of the rules (standards) of auditing activities, as well as methods to audit, made up the methodological basis of the Russian audit), and a number of other documents.</p> <p>During this period active work on certification of auditors and licensing of auditors established auditing of public enterprises and audit firms, has begun work on carrying out of statutory audit and audit related services. During the period 1994-2001 of the Russian Ministry of Finance has issued 23 600 licenses licensees (including audit institutions – 14 700 and individual auditors – 8900). The number of active licenses was about 8900, including on General audit – 7700. During the same period, of the Ministry of Finance of Russia approved the results of nearly 36 500 qualification certificates of the auditor. Set up a working structure for auditors and audit firms.</p>
<p><i>The third stage of audit activity in Russia began after the adoption of the Law on auditing</i></p>	<p>It confirmed the adoption of the final development of audit in Russia, allowed to take a number of normative-legal acts regulating audit activities, to take a step towards the integration of the Russian audit in international audit system.</p>

Currently, the most relevant in the audit are issues of the quality of the meeting and related issues of appropriate training of audit personnel. Amendments to the law "On auditing activities" aimed at fundamentally new mecha-

nism for Russia attestation of professional auditors, their adoption would mark the beginning of a new, fourth stage of the audit in our country.

Decree of the President on Temporal Rules of Audit Activity in 1993 should be considered the first regulating document in Russian audit. Exactly this document determined the main aspects of audit in Russia, enabling remarkable improvement of the quality of provided services and facilitating of the audit procedure. But the main problem of that time was absence of unified norms of audit. At that time audit standards started forming and actively incorporating abroad, due to which level of reliability of the carried out procedures has substantially grown.

At that moment, the main task for the legal regulation of Russian audit was the necessity of development of local standards of audit in correspondence with international standards. Improvement of audit in Russia was rather active; its position in the society strengthened, international potential grew. However, for the international competitiveness Russian audit noticeably lacked legal regulation in which efficient sanctions for low-quality audit were absent and there was a big delay in development and use of audit standards.

In the end of 2000 International Center of Reforming of Accounting Systems published an official document in Russian on international audit standards (MCA). It was not possible to adapt this document as a local standard for audit activity due to difficulties of understanding and use of word-by-word translation. Nevertheless international standards have become a basis creation of Russian rules (standards) of audit with the customary form of presentation for Russian professional of this sphere [4, p. 12; 1, p. 74].

The first standards in Russia were rules (standards) of audit activity approved by the Committee on Audit Activity of the President of RF. By 2001 the Committee on Audit Activity approved 37 audit standards (rules) and Methodology of Audit Activity Tax Audit [5, p. 57].

After adoption in 2001 of the Federal law About Audit Activity federal rules (standards) of audit activity (FRSAA) started being developed. By the year 2009 34 FRSAA have been approved.

In accordance with the requirements of the new law About Audit Activity approved by the State Duma on December 24, 2008 No. 307-ФЗ a programme for development of Federal Standards of Audit Activity (FSAA) was started [3].

The auditing company began to actively develop the branch network and create regional offices. In the direction the market was developing mainly due to the provision of audit services, as a local company, based on which branches were created, specialized in this field. On the other hand, in the Central regions of Russia audit company began to provide more consulting services than auditing. Thus, until 2008, the auditing company operated in a favorable environment and growing market. This allowed, in the first place:

go to structuring the regulatory framework (the appearance of the Federal law "On audit activity");

to expand the list of services provided by preparing the IFRS financial statements, training of staff of client companies (the proportion of audit services declined);

to increase qualification of employees of audit firms, increasing the minimum requirements for a candidate for the position of auditor;

to expand the geography of the market, which has resulted in the development of regional companies falling under a mandatory audit, resulting in auditing of the company began to open its own branches and representative offices to provide these services

The Russian Law requires that the following entities have their accounting records fully audited by a licensed auditor (article 5 of the Russian Audit Law):

1. Listed companies (OAO).
2. Banks, credit or insurance companies, mutual insurance associations, clearing agencies, commodity and stock exchanges, incorporated investment

funds, non-budgetary state funds, holding/management companies of investment funds, unit investment funds or non-state pension funds (excluding non-budgetary state funds).

3. Enterprises that have annual revenue in the preceding financial year exceeding 400 million RUB (approximately 13.5 million US dollars as at April 2012).

4. Enterprises that have total assets at the end of preceding financial year exceeding 60 million RUB. (approximately 2 million US dollars as at April 2012).

5. If securities of a company are admitted to trading on stock exchange.

6. If an entity provides or publishes its financial-accounting report to the public (excluding state companies and state non-budget funds).

7. In other cases as stipulated by the law.

A Russian audit requires not only a systematic verification of the accounts, but also a meticulous examination of the procedures and accounting procedures of the enterprise to ensure that the books have been kept in the manner prescribed by the law as per the accounting and tax law.

- sheet total over 60 million RUB.

Audits help to timely detect problems such as:

- Financial misstatements and misrepresentation
- Tax risks
- Business regulatory violations
- Embezzlement and fraud
- Internal control weaknesses

Companies, which avoid audit, will not face a penalty, because the Russian audit regulation does not stipulate any. Some managers treat the avoidance as a tolerable technical violation with no fines, but such approach can hardly be considered as professional.

Regular company auditing is a precautionary measure, something like an annual medical check-up. The federal audit regulation requires a written contract, which documents the agreed-upon terms of the audit engagement. An auditor can offer you provision of the service in several steps, e.g. auditing of interim financial statements for 6 months or 9 months and the second step – annual reports.

First of all the auditor assesses client's business and receives information from its management on internal control in the organization, important events that took place in the reporting period, etc.

It is mandatory for the auditor to assess the company's compliance with the provisions of laws, regulations, and contracts, e.g. whether all the necessary licenses and permissions are in place or not.

Russian accountancy was modernized some years ago and at first look seems to be very close to international standards like IFRS. In practice, however, things are very different. This comes from a conception that is different on a basic level and from the very strong influence from the tax authorities. Basically it should be noticed that in Russia the principle "Form over substance" is applicable. This means, that operations are not registered when they occur, but when the required document is signed. It is easy to imagine that between the moment, when something has been realized, and the moment when the document is signed, there can be a very big and important time gap. This time gap is even more important, considering that in Russia the results must be calculated every quarter and a tax declarations with results must be filed at the end of every quarter. This means that the company has to be constantly up to date with all documentation such as invoices, acts or contracts.

Federal standards are far from international, which mostly complicates proper use of changed local norms in accordance with international principle. With the purpose of provision of carrying out of expertize of applicability of international standards of audit in the territory of the Russian Federation in ac-

cordance with the Minutes №-18 of the meeting of the Council on Audit Activity dated September 23, 2015 labor body of the Council on Audit Activity together with self-regulating organizations of auditors was charged with creation of a permanent working group of the Council on Audit Activity on recognition of international audit standards. Gradually comprehension of the fact came to be realized that the management accounting tools are useful primarily for the enterprises themselves. Today, the concept of formation of costs as to life-cycle stages, target costing, cost accounting in enterprises applying the principles of lean manufacturing, cost accounting on types of activities, etc. have developed.

In general, international experience has a vast number of advantages. Distinctive feature in use and application of international audit standards is logicity and consistence of norm presentation, which their turn have a rather close interconnection, that allowing to avoid incorrect understanding of the undergoing essence of the standard. Russian normative base of audit is undergoing changes, which is reflected on the level of competence of auditors professionalism of accountants, culture of keeping of financial (accounting) documents, increase of competitiveness of the local market of audit services.

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