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## IMPROVING DOCUMENTATION OF THE AUDIT OF CASH OPERATIONS TO IMPROVE ACCOUNTING IN THE ENTERPRISE MANAGEMENT SYSTEM

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**Abstract.** In the work , the documentation of the audit of cash transactions has been improved. A general audit plan , audit program , auditor's working documents have been developed. This will make it possible that cover issues related that accounting documentation. The proposed method will improve the control system and increase the efficiency of enterprise management .

**Key words:** *Documentation , accounting , audit , cash operations , general plan , program , working documents , management*

At the current stage of the development of accounting, timely and high-quality development of the methodology for documenting the audit is important for improving the efficiency of enterprise management. Today, there are no approved forms of audit methodology, so each audit firm develops its own internal audit standards based on regulatory documents.

The purpose of audit planning is to identify the most important areas of the audit, identified problems that should be investigated in more detail.

The planning process is conventionally divided into stages: preliminary (strategic) planning, drawing up a general plan, developing an audit program.

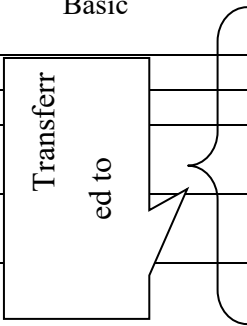
In the planning process, two main documents of the auditor are created: the general audit plan and the audit program.

The general audit plan should be detailed enough to serve as an instruction for the development of the audit program, its exact form and content will depend on the size of the business entity, the complexity of the audit, as well as on the specific methods and technologies used by the auditor.

The authors have developed a method of documenting the audit (tables 1-9).

**Table 1. A general plan for the audit of cash operations is proposed**

Stage	Content of audit procedures	Audit term	Name of the auditor
Preparatory	Acquaintance with the company's activities Drawing up an audit plan of cash operations		
Actual	Inventory of cash operations		
Basic	Checking the correctness of the cash limit calculation		
	Verification of primary documents		
	Checking the cash book		
	Verification of correspondence of accounts from cash operations		
	Checking accounting registers for cash operations		
	Verification of financial statements for the display of cash transactions		
Final	Compilation of the audit report and audit opinion		



**Table 2. The proposed audit program of cash transactions**

List of audit procedures	Sources of information for audit	Code of working documents	Control period	Name of the examiner
Checking the correctness of the cash limit calculation	Application-calculation for setting the limit	RD-1		
Verification of primary documents	PKO VKO	RD-2.1, RD-2.2		
Checking the cash book	Cash book, PKO. VKO	RD-3		
Verification of correspondence of accounts from cash operations	Cash book	RD-4		
Checking accounting registers for cash operations	Magazine 1, News 1	RD-5		
Verification of financial statements for the display of cash transactions	Balance	RD-6		

According to ISA "Planning", the auditor must develop and document the audit program, which determines the nature, time and scope of the planned audit procedures necessary for the implementation of the overall audit plan.

The audit program must meet the purpose and tasks of the audit, audit procedures must be developed taking into account the basic principles of financial reporting and the quality of the audit.

The audit program details the general plan for conducting the audit, contains a list of audit procedures necessary to achieve the purpose of the audit, is drawn up before the start of the audit, but may change during the audit.

According to ISA 500 "Audit Evidence", audit evidence is all information used by the auditor to formulate the conclusions on which the auditor's opinion is based.

According to the International Auditing Standard "Documentation", the auditor must document information that is important from the point of view of forming evidence to support the auditor's opinion, as well as evidence that the audit was performed in accordance with International Auditing Standards.

The term "documentation" means working documents prepared by the auditor or received by him in connection with the audit and stored in him.

The auditor's working documents are documents created in the audit process for the purpose of managing it, or are used as evidence of sufficient validity of the auditor's opinion regarding the reliability of financial statements.

Thus, working documents: help to plan and conduct an audit, help to supervise and verify the audit work, contain audit evidence obtained as a result of the audit work, in support of the auditor's opinion.

The scope of the working papers depends on the professional judgment of the auditor, as it is neither necessary nor appropriate to document every issue considered by the auditor. The working documents must contain the auditor's explanation of all important issues that require an opinion, as well as the auditor's conclusions about them.

In accordance with the Law of Ukraine "On the Audit of Financial Statements and Audit Activity" and International Auditing Standards, at the final stage of the audit, the auditor must prepare an audit report on the results of the audit.





A sample of the Disbursement Cash Order is given below.

<u>Diamant LLC</u> (name of the enterprise (institution, organization))		Identification code EDRPOU <u>75757575</u>			
<b>Disbursement cash order</b> from "05" March 2023					
Document number	Compilation date	Corresponding account, subaccount	Analytical account code	Sum	Destination code
246	03/05/2023	372		800.00	
Issue <u>Doroshenko Oleksiy Leonidovych</u> (surname, first name, patronymic)					
Reason: <u>on a business trip</u>					
Amount <u>eight hundred</u> hryvnias. <u>00</u> kopecks (in words)					
Appendix: <u>Advance report No. 40 dated March 1, 2023.</u>					
Head _____ (signature, surname, initials)			Chief Accountant _____ (signature, surname, initials)		
Received: <u>V simhond</u>					UAH. 00
kopecks (in words)					
March 5, 2023 <b>Recipient's signature</b> _____					
According to <u>SYU passport 4568265 issued by Leninskiv RV UMVS on April 24, 2002</u> (name, number, date and place of issuance of the document certifying the identity of the recipient)					
<b>Issued by the cashier</b> _____					

Figure 3. Disbursement cash order

Table 5. Auditor's working document for verification of expenditure cash order RD-2.2

Availability of all requisites of the VKO													
No	Date	Amount, UAH	Cor account	Issue	Basis	The amount in writing	Addition	according to the document	d a t e	signatures			
										head	accountant	cashier	person
246	03/05/2023	800	372	Doroshenko O.L.	on a business trip	+	Advance report	passport	+	-	-	-	-

Conclusions based on the results of the working document: VKO No. 246 dated 05.03.2023 lacks the signatures of the manager, accountant, cashier, and the person who received the funds.

A sample of the Cash Book is given below.

Identification code EDRPOU <u>75757575</u>				
LLC "Diamant" (name of the enterprise (institution, organization))				
Cash book for 2023				
In this book, 100 pages are numbered and laced, sealed with the seal of M. P. Kotelevsky's signature March 6, 2023.				
Box office for March 6, 2023.		Page 45		
Sample 3, 5, 7, 9 and other pages				

Document number	From whom it was received or to whom it was issued	Correspondence number main account, sub-account	Receipts	Expense	L line	Document number	From whom it was received or to whom it was issued	Number of the corresponding account, subaccount	Receipts	Expense	
1	2	3	4	5	in the cut	1	2	3	4	5	
	Balance at the beginning of the day		70.00	H							
PKO 382	PJSC "Nadrabank "	311	700.00			Together in a day				700.00	600.00
VKO 246	Doroshenko O.L.	372		600.00		Balance at the end of the day,				170.00	H
			700.00	600.00		including for salary Cashier <u>Yakymenko</u> (signature) I checked the entries in the cash book and documents in the amount of <u>one</u> income and <u>one</u> expenditure (in words) (in words) expenditure receipts. Accountant <u>Nazarenko</u> (signature)				H	

Figure 4 . Cash book

Table 6 . Auditor's working document of comparison of primary documents with cash book RD-3

The first document	No	According to primary documents		According to the cash book		Deviation	
		Date	Amount, UAH	Date	Amount, UAH	Date	Amount, UAH
1	2	3	4	5	6	7 (comparison of numbers 3 out of 5)	8=4-6
PKO	382	03/05/2023	800	03/06/2023	700	1 day	-100
VKO	246	03/05/2023	800	03/06/2023	600	1 day	-200

Conclusions based on the results of the working document: in the cash book: PKO No. 382 was entered on 06.03.2023. instead of 05.03.2023 and for an amount less than UAH 100, VKO No. 246 entered on March 6, 2023. instead of 05.03.2023 and for an amount less than 200 hryvnias.

Table 7. Working documents of the auditor - verification of the correctness of the display in the accounting of cash transactions RD-4

Content of the operation	According to the company			According to the audit data			Correction		
	Dt	Kt	Amount, UAH	Dt	Kt	Amount, UAH	Dt	Kt	Amount, UAH
A salary was issued from the cash register	372	301	6000	661	301	6000	372	301	6000
							661	301	6000

An incorrect operation is written off with a red cancellation

The correct operation is added

Conclusions based on the results of the working document: incorrect correspondence of invoices instead of Dt 661 Kt 301 in the amount of UAH 6,000, Dt 372 Kt 301 in the amount of UAH 6,000 was incorrectly distributed.

**Table 8. Auditor's working document RD-5 - Checking accounting registers for cash operations**

Reporting period	Cash book , UAH.	Magazine 1, News 1, UAH.	General ledger, UAH	Deviation	
				Magazine from Cash book	The main book from the magazine
1	2	3	4	5=3-2	6=4-3
4th quarter	2200	2000	2000	-200	-
Together	2200	2000	2000	-200	-

Conclusions based on the results of the working document: In Journal 1 and the General Ledger, the amount is understated by UAH 200 compared to the Cash Book.

**Table 9. Auditor's working document RD-6 - Verification of financial statements on the display of cash transactions**

Date	Turnover and balance sheet , hryvnias.	Balance (F. 1 year 1165 - Balance Dt count 31, subaccounts 333, 334, 351) or F.l.r.1166, if cash is shown as a separate item, UAH	Deviation of the balance sheet from the turnover statement
1	2	3	4=3-4
Balance as of 01.01.2024	2000	1000	-1000
Together	2000	1000	-1000

Conclusions based on the results of the working document: in the Balance sheet, the amount is understated by UAH 1,000 compared to the balance sheet , which indicated a balance of UAH 1,000.

The audit report is a document prepared by the subject of audit activity in accordance with international auditing standards and the requirements of the Law based on the results of the audit of financial statements (consolidated financial statements, combined financial statements).

So, in the work, the documentation of the audit of cash operations has been improved, which, unlike the existing ones, includes: a general audit plan, an audit program, auditor's working documents. The proposed method of audit of cash operations will provide an opportunity to cover issues related to accounting documentation . The developed technique will improve the control system and increase the efficiency of enterprise management.

### Reference

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