

BARABASH Nataliia

E-mail: barabash_n@ukr.net
ORCID ID: 0000-0002-1011-527X

PhD Economics, associate professor
of the Department of Financial Analysis and Audit
of Kyiv National University of Trade and Economics
19, Kyoto str., Kyiv, 02156, Ukraine

RIPA Tetiana

E-mail: tanya.ripa@ukr.net
ORCID ID: 0000-0002-0490-9321

Lecturer of the Cyclic Accounting and Marketing
Commission of the College of Trade and Economics
of Kyiv National University of Trade and Economics
2/4, Lvivska str., Kyiv, 03115, Ukraine

ANALYTICAL PROCEDURES FOR THE AUDIT OF THE COMPETITIVENESS OF TRADE ENTERPRISES

The article grounds the necessity to assess the level of competitiveness. The place and role of analytical procedures in the audit of the competitiveness of trade enterprise, as well as the specifics of their application at all stages of the audit, are investigated. The main methodological approaches to the application of such analytical procedures as «estimation of the financial condition of the trade enterprise», «assessment of the competitive position of the trading enterprise in the commodity market» and «assessment of the competitiveness of the trading enterprise» are presented.

Keywords: trade enterprise, economic activity, competitiveness of goods, competitiveness of trade enterprise, audit, analytical procedures, efficiency, financial stability.

Барабаш Н., Рипа Т. Аналитические процедуры аудита конкурентоспособности предприятий торговли. Обоснована необходимость оценки уровня конкурентоспособности. Исследованы место и роль аналитических процедур в аудите конкурентоспособности предприятий торговли, а также специфика их применения на всех этапах аудиторской проверки. Представлены основные методические подходы к применению таких аналитических процедур, как «оценка финансового состояния предприятия торговли», «оценка конкурентной позиции предприятия торговли на товарном рынке» и «оценка конкурентоспособности предприятия торговли».

Ключевые слова: предприятие торговли, хозяйственная деятельность, конкурентоспособность товара, конкурентоспособность предприятия, аудит, аналитические процедуры, эффективность, финансовая устойчивость.

Background. An extremely important qualitative characteristic of a trade enterprise's activity is the level of its competitiveness, which to a certain extent is defined as the ability to meet the needs of customers better than competitors, which is evaluated using a system of indicators and characteristics that reflect the efficiency and effectiveness of the management decisions made.

In general, the audit of the competitiveness of the trading company includes:

- Determining the reliability of the information about the financial and economic activity of the trade enterprise;
- Competitiveness analysis, which includes a methodology for integrated assessment of its level;
- Recommendations on the development of a strategy of the trade enterprise's activity;
- Bringing the results of the verification to the customer.

On this basis it is clear that in the audit of competitiveness the main place is given to analytical procedures in comparison with other types of audit, the use of which is appropriate in the course of the entire audit due to the complexity of the concept of "competitiveness", as well as a number of characteristics of trade enterprises.

Analysis of recent research and publications. Such scientists as M. M. Benko, V. V. Sopko [1], M. T. Bilukha, G. V. Blakita, G. M. Davydov, N. I. Dorosh, S. V. Ivakhnenkov, A. A. Mazaraki, L. G. Mykhalchyshina, K. O. Nazarova [2–9], Ye. V. Mnikh, S. V. Bardash [10–11], I. M. Parasiy-Vergunenko, N. M. Proskurina, O. Yu. Redko, B. F. Usach, M. T. Schyrba, I. M. Schyrba [12–16] and many others, dedicated a large number of scientific works to specific issues of methodology and organization of the audit.

Marking out of unsolved parts of general issue to which the article is dedicated. Despite their essence, there are no comprehensive studies of the audit of competitiveness, which would include a detailed study of organizational and methodological support, criteria (parameters) and procedures for collecting audit evidence in the process of checking trade enterprises. This causes the necessity to study a whole range of issues.

The **aim** of the study is to develop methodological approaches to the use of analytical procedures in the audit of trade enterprises competitiveness.

Materials and methods. The information base of the article is represented by scientific works of domestic and foreign scientists [1–16].

The basis of the research is the scientific methods, among which it is advisable to distinguish: analysis and synthesis, comparison, idealization and abstraction, as well as systematization and generalization – when formulating the conclusions as a result of the study.

Results. The audit of the competitiveness of trade enterprises is, first of all, the process of formation of auditor's professional independent judgment on issues of cost-effectiveness, efficiency, rationality, efficiency and effectiveness of the management's work on the development and implementation of the trading strategy of the company. As a result of this process, the factors of influence are determined and a system of measures is developed, drawn up in the form of auditor's recommendations, which relates to the identification and creation of new competitive advantages, as well as the maintenance of existing ones, in order to improve the rating position of the trading company in the commodity market.

In the audit of competitiveness, considerable attention is paid to the analytical aspect of the assessment of the trade enterprises competitiveness. It is extremely important and is based on methodical techniques of financial, marketing and strategic analysis.

Considering the economic nature of competitiveness, a key place belongs to a set of competitive advantages of the enterprise. Their combination determines the position of the entity in the market of goods and its ability to compete with competitors. Therefore, the use of audit methodological methods of analysis is conditioned by the need to assess the existing and identify the potential competitive advantages of the trade enterprise. According to the results of the audit, on the basis of the auditor's recommendations, the measures are developed primarily to improve or strengthen the position of the trading company on the market. However, conducting an audit of competitiveness depends to a large extent on the level of knowledge and experience of the auditor and is based on his professional judgment. Therefore, such recommendations may be subjective, which leads to an insufficient depth of analysis, its systemacity and complexity.

Of course, the audit of the trading enterprises competitiveness is quite labor-intensive, so its optimization is extremely important. In this area, the use of analytical procedures for obtaining audit evidence plays a significant role. They involve less time, labor, in comparison, for example, with observation, however, provide the auditor with the required amount of information. In addition, the importance of a comprehensive assessment of the competitiveness of trade enterprises was repeatedly noted.

By its content analytical procedures is a certain set of auditor's actions to obtain audit evidence. However, this definition does not take into account the possibility of their use at various stages of the verification, which takes place in the audit of the competitiveness of trade enterprises. The survey data of internal auditors of trade enterprises (*figure 1*) confirms that analytical procedures are an integral part of the competitiveness audit, which is why they are used not only during the planning stage but also in the preparatory, research, analytical and final stages (*table 1*).

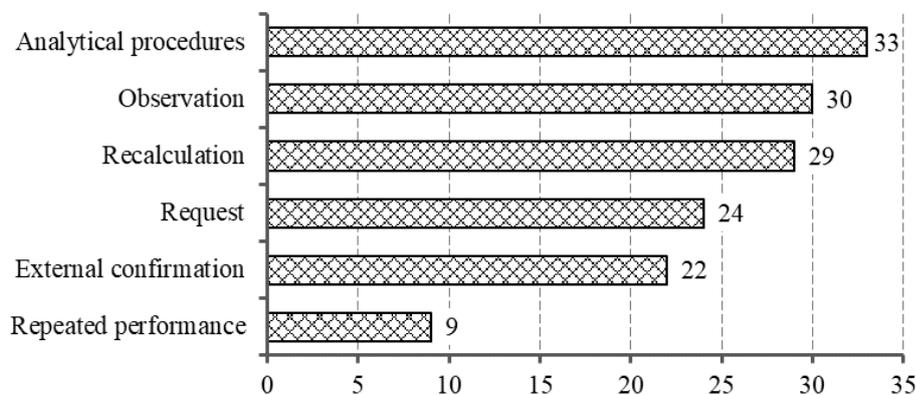


Figure 1. The popularization of the use of various types of audit procedures for the collection of audit evidence in the process of auditing the competitiveness of trade enterprises, %

Table 1

Application of analytical procedures in the process of auditing the competitiveness of trade enterprises

Stage of Competitiveness Audit	Tasks of analytical procedures
Preparatory stage	<ul style="list-style-type: none"> ▪ familiarization with the activity of the enterprise, understanding of its specifics and features
Planning stage	<ul style="list-style-type: none"> ▪ rational allocation of resources; ▪ optimization of the audit process of enterprises competitiveness
Experimental-analytical stage	<ul style="list-style-type: none"> ▪ ensuring a sufficient level of confidence; ▪ reducing audit risk to an acceptable level
Final stage	<ul style="list-style-type: none"> ▪ drawing up an auditor's report

Firstly, at the preparatory stage, the use of analytical procedures should provide a deep understanding of the specifics of this trading company, simplifying the process of familiarizing with the business of the client, financial reporting, constituent documents, etc., while not reducing the quality of work performed.

Secondly, the application of analytical procedures during the planning of the audit of the trade enterprises competitiveness contributes to the optimization of this stage. They assist in identifying the potential and real possibility of risks emergence during the process of development of verification strategy, calculation of the materiality level and the audit sample. Also, when drawing up a general plan and an audit program for competitiveness, the application of some analytical procedures minimizes the need to involve other audit procedures.

Thirdly, in the process of implementation of the research and analytical stage, the results of the previous audit, if it occurred, are important, on condition that it is conducted by the same auditor. In this case, the audit process of competitiveness can be optimized using the same analytical procedures by comparing the results.

Fourthly, at the final stage of the competitiveness audit, it is also advisable to involve analytical procedures, influencing the general indicators of the financial statements of the trading company, namely, net profit, rate of change in income and expenditure, profitability and cost efficiency.

In the context of an audit of the competitiveness of trading enterprises, we propose to use the following analytical procedures, each of which differs from the others in methodology and a number of specific features:

- assessment of the financial situation of the trading company;
- assessment of the competitive position of the trading enterprise in the commodity market;
- assessment of the competitiveness of the trade enterprise.

An analysis of the financial condition of the audited entity is of immense importance to the auditor as the most important of the final analytical procedures since it allows to make important conclusions for the purposes of the audit.

The analytical procedure «assessment of the financial situation of the trading company» is extremely simple and universal, therefore it can be adapted to enterprises engaged in other types of activities. We offer a scheme of application of this analytical procedure (*figure 2*).

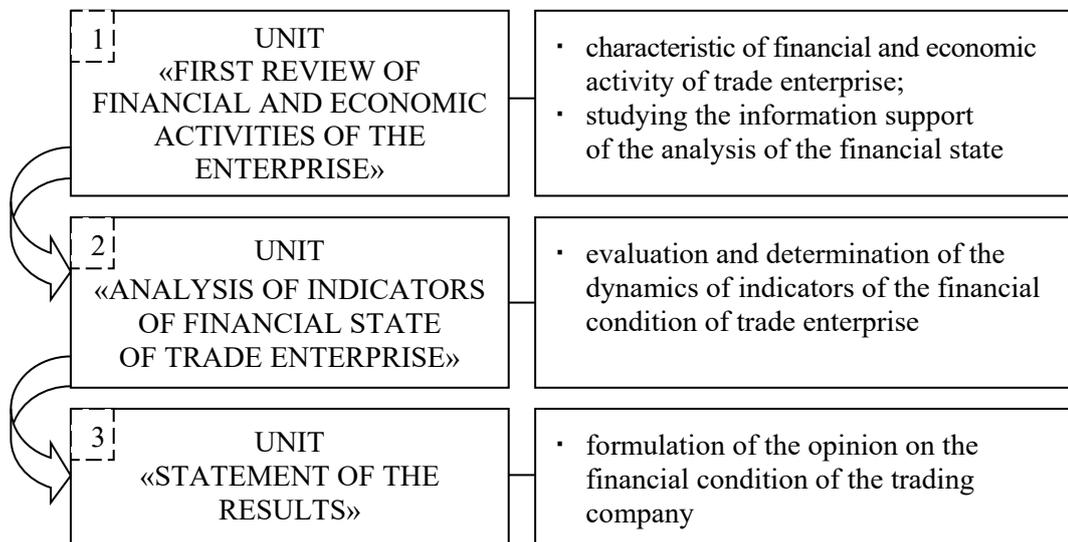


Figure 2. The scheme of the application of the analytical procedure «Estimation of the financial condition of the trading company»

It is necessary to unify the process of applying the analytical procedure «assessment of the financial state of the trading company» by grouping the auditor’s activities in the following way:

➤ primary review of financial and economic activity of the trade company is the collection and pre-processing of the information support of the analysis. This includes studying financial, statistical, managerial reports, constituent documents, accounting registers, etc. It is extremely important to characterize financial and economic activity as being in line with the norms of the current legislation of Ukraine and not contradicting the charter of the enterprise client, other local regulations.

➤ the analysis of the indicators of the financial state of the trading company is characterized by the direct implementation of calculations and the identification of trends of their changes and interdependencies.

➤ the formulation of results implies the statement of the previous independent opinion of the auditor on the financial state of the trading company on the basis of collected audit evidence.

In general, the definition of a competitive position of an enterprise is possible as a result of a comparison of the trading company and its competitors with certain characteristics, that is, the development of the rating. Therefore we offer as part of the audit competitiveness to apply the analytical procedure according to the block schematic diagram (*figure 3*).

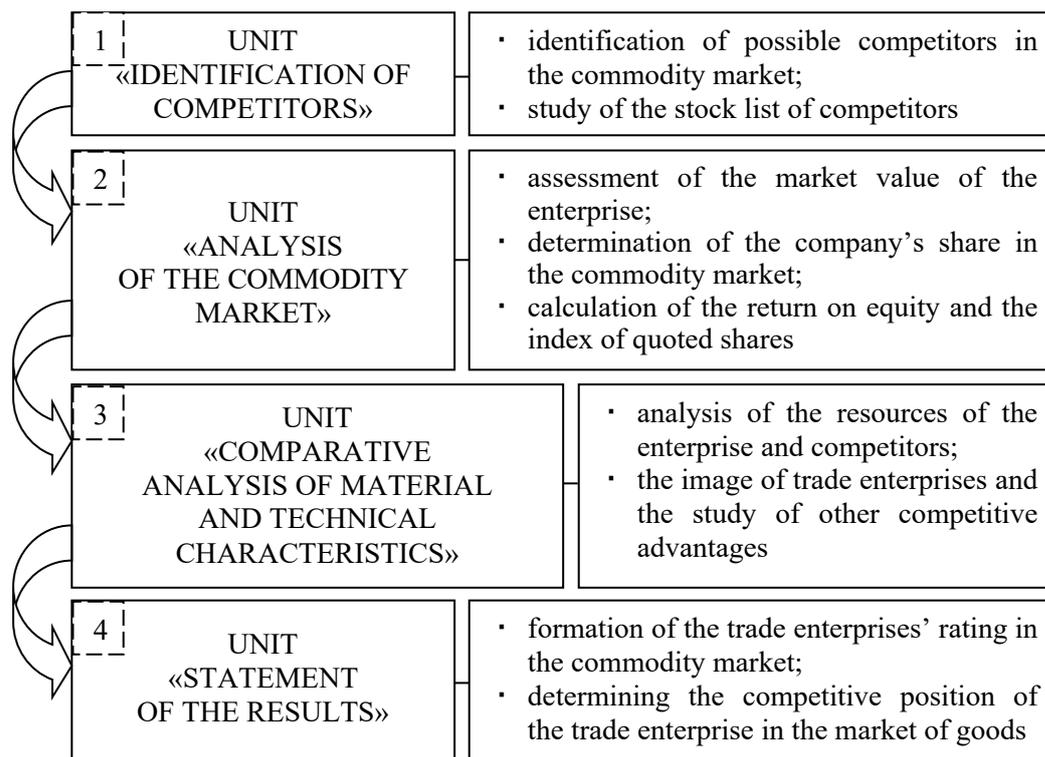


Figure 3. The scheme of application of the analytical procedure «Assessment of the competitive position of the trade enterprise in the commodity market»

The application of the analytical procedure «assessment of the competitive position of the trading company in the commodity market» in the audit of competitiveness provides the implementation of certain actions that can be grouped as followed:

➤ identification of competitors includes market research in general or a separate segment and the identification of potential and real competitors. In this case, an important role is assigned to the study of not only their financial status, performance indicators but also the product nomenclature, since this factor determines the possibility of assigning an economic entity to competing in relation to the client.

➤ analysis of the situation in the commodity market involves the study of the market value of the enterprise, determining the share of the company in the market of goods.

➤ a comparative analysis of material and technical characteristics is related to the study of the degree of resource support of the enterprise-client and competitors (material, labor, etc.). It should be emphasized separately that we should not leave out of account the image of the trade enterprises and other competitive advantages that they possess.

➤ the statement of the results is the formation of a general rating of the trade enterprise in the market of goods or a certain segment of it, identifying the competitive position of the enterprise client. This is important for defining «weaknesses» and reserves to improve the competitiveness of the enterprise by improving the client's rating position.

As part of the audit of the competitiveness of trade enterprises, we propose to apply this analytical procedure according to the scheme (figure 4).

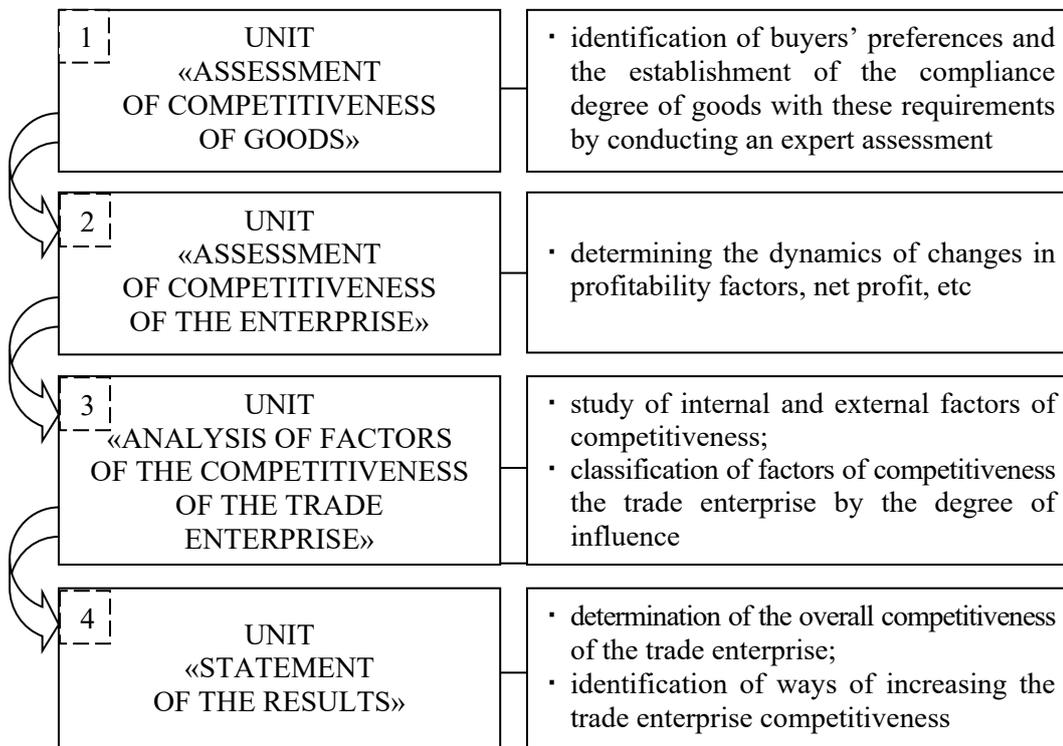


Figure 4. The scheme of the application of the analytical procedure «Assessment of the trade enterprise competitiveness»

For the effective application of the analytical procedure «assessment of the competitiveness of the trade enterprise» we propose the following four steps:

➤ the assessment of the competitiveness of goods is a preparatory and organizational action, which involves identifying the preferences of customers and establishing the degree of compliance of goods with these requirements through expert evaluation. To collect the necessary information, we suggest conducting a survey on the general questionnaire.

➤ assessment of the competitiveness of the trade enterprise – includes the calculation and determination of the dynamics of changes in profitability indicators, net profit for at least the last 3 years. Notice that for a better use of this analytical procedure, it is expedient to increase the period under investigation. This will make the implementation more labor-intensive, however, with the use of modern information technology, the complexity is not in the implementation of the calculation of indicators, but in the downloading of the correct data.

➤ the analysis of the factors of competitiveness of the trade enterprise involves the study of internal and external "forces" that affect the level of competitiveness of the trade enterprise. An important role here belongs to the implementation of multilevel classification of factors.

➤ the statement of results includes the definition of the overall competitiveness of the trading company, taking into account the competitiveness of goods, as well as the development and/or search for possible ways to increase its level.

The method of applying these analytical procedures is characterized by a number of specific features, therefore, it is expedient to use it for trade enterprises operating on the market of goods for more than 15 years in order to determine the dynamics of indicators.

Conclusion. The use of analytical procedures in the audit of the competitiveness of trading companies is aimed at increasing its efficiency and scientific soundness in a competitive environment.

Taking into account the specific features of the application of analytical procedures in the context of the audit of the trade enterprises competitiveness, it is determined that each of them should be completed by a «statement of results» action unit, which characterizes primarily the quality of the procedures performed and their appropriateness in the context of this review.

The analysis of the results of the application of the analytical procedure includes the evaluation of the results and the formulation of conclusions on the revealed deviations under the general scheme. This should definitely be reflected in the auditor's working papers and used in the process of drawing up an audit opinion concerning the conducted audit of the competitiveness of the trading enterprise – at the final stage of the audit.

As a result of audit procedures, in the structure of which a large place undoubtedly belongs to the analytical procedures, an independent, unbiased opinion of the auditor concerning the competitiveness of the enterprise-client is formed, supported by necessary calculations. As a result, this auditor's report may act as an information base for developing a trading strategy for a company.

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Articles submitted to editor office of 23.11.2018.

Барабаш Н., Ріпа Т. Аналітичні процедури аудиту конкурентоспроможності підприємств торгівлі.

Постановка проблеми. Надзвичайно важливою якісною характеристикою діяльності підприємства торгівлі є рівень його конкурентоспроможності, який певною мірою визначається як здатність і можливість задовольняти потреби покупців краще від конкурентів, що оцінюється за допомогою системи показників та характеристик, які відображають ефективність і результативність прийнятих управлінських рішень.

Аналіз останніх досліджень і публікацій. Окремі питання методології та організації аудиту досліджували: М. М. Бенько, М. Т. Білуха, Н. І. Дорош, С. В. Івахненков, Л. Г. Михальчишина, Є. В. Мних, К. О. Назарова, М. О. Никонович, І. М. Парасій-Вергуненко, О. Ю. Редько, В. В. Сопко, Б. Ф. Усач, М. Т. Щирба, І. М. Щирба та ін.

Мета дослідження – розробка методичних підходів до використання аналітичних процедур в аудиті конкурентоспроможності підприємств торгівлі.

Матеріали та методи. Інформаційна база статті представлена науковими працями вітчизняних та зарубіжних вчених. Основу дослідження становлять такі наукові методи, як: аналіз та синтез, порівняння, ідеалізація та абстрагування, систематизація та узагальнення.

Результати дослідження. Аудит конкурентоспроможності підприємств торгівлі – це насамперед процес формування професійного незалежного судження аудитора з питань економічності, продуктивності, раціональності, результативності та ефективності діяльності керівництва щодо розробки та реалізації стратегії діяльності підприємства торгівлі.

Висновки. Використання в аудиті конкурентоспроможності підприємств торгівлі аналітичних процедур спрямовано на підвищення його ефективності та наукової обґрунтованості в умовах конкурентного середовища.

Ключові слова: підприємство торгівлі, господарська діяльність, конкурентоспроможність товару, конкурентоспроможність підприємства, аудит, аналітичні процедури, ефективність, фінансова стійкість.